

MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS FOR 2014

TUESDAY, MARCH 5, 2013.

FORCE STRUCTURE ISSUES AND THE IMPACT ON MILITARY CONSTRUCTION

WITNESSES

GENERAL RAYMOND T. ODIERNO, CHIEF OF STAFF OF THE ARMY

ADMIRAL JONATHAN W. GREENERT, CHIEF OF NAVAL OPERATIONS

GENERAL JAMES F. AMOS, COMMANDANT OF THE MARINE CORPS

**GENERAL MARK A. WELSH III, CHIEF OF STAFF OF THE U.S. AIR
FORCE**

CHAIRMAN'S OPENING STATEMENT

Mr. CULBERSON. Good morning. I want to welcome everyone to the first hearing of the Military Construction and V.A. Subcommittee of the House Appropriations Committee. It is a great privilege to chair this extraordinary committee, with so many members of the House who share my passion for the, to help the United States military is something that we all are arm-in-arm in and we are honored to be here with you this morning, gentlemen.

And we have a lot of questions that we want to have your help in answering to help us better serve you, to make sure that the men and women of the United States military have everything they need to do their job and don't have to look over their shoulder or worry for one moment about their facilities, their living conditions, their health care when they are active duty or when they retire. This is an extraordinary privilege for us, and we are looking forward to hearing from each and every one of you this morning.

But before I introduce our witnesses, I would like to turn to our ranking member, Mr. Bishop, for any opening remarks that he would like to make.

Mr. Bishop.

RANKING MEMBER'S OPENING STATEMENT

Mr. BISHOP. Thank you very much, Mr. Chairman. I would like to thank all of you for your continued service to our nation. You certainly are truly deserving of our nation's affection and support.

Mr. Chairman, we are facing some very difficult times. And, of course, March 1st, the automatic cuts called sequestration are being implemented.

And it was included in the Budget Control Act to force all of us in the Congress, both Democrats and Republicans, to work together to resolve our fiscal problems, but the cuts that are set to go into effect are really unacceptable, and I find it hard to believe that some of our colleagues are willing to accept cuts that would significantly harm our national security and our military's ability to handle any contingency now and going forward.

Some of our colleagues believe that these cuts won't threaten the hundreds of thousands of middle-class jobs; that this is just merely hyperbole to scare the public, but I just want my colleagues to know that these cuts are real, and that they will have a devastating impact.

For example, in Georgia, sequestration will affect over 37,000 jobs. In my district, just for the Army, 17,000 jobs will be affected. And the people in our district are really hard working folks, and they just want a chance to pursue the American dream. Many of them are federal employees who have already been forced to cut back as a result of some of the actions that have already been taken.

Others are defense contractors, who support our men and women in uniform, and who—at the point of the spear—and rely on—we rely on the defense contractors to keep them well equipped and well trained. They can't afford the arbitrary irrational cuts that are being implemented by way of the sequester.

Many of our colleagues have forgotten that we have already cut \$487 billion over 10 years in the defense under the Budget Control Act, not to mention the \$138 million that Secretaries Gates and Panetta implemented.

We can't continue to address the budget issues on the backs of our servicemen and -women and their families. I think there is no question that we need to cut our deficit, but it has to be done in a balanced way that protects the investments in middle class, doesn't jeopardize our national security. It is important for us to have this hearing today, because I know that you gentlemen share our concern when it comes to defense of our nation.

Mr. Chairman, you and I have worked very hard in the last Congress, and we have tackled some very difficult issues. And we look for compromises. And I look forward to hearing from witnesses today, and to hear your thoughts on these issues, particularly the terrible impact of sequestration.

With that, Mr. Chairman, I thank you for the remarks, and I yield back.

Mr. CULBERSON. Thank you very much, Mr. Bishop.

I would like, if I could, to recognize the chairman of the Defense Appropriation Subcommittee, our former chairman, and truly a man who is a national treasure for all that you have done, Bill Young, for the United States of America, and for our military.

I know we all owe you a great debt of gratitude sir, and I would like to recognize you sir for any statement you would like to make?

Mr. YOUNG. Mr. Chairman, thank you very much. And it is a distinct honor to actually serve as a member of this subcommittee.

CONTINUING RESOLUTION

I wanted to just take a couple of minutes and say that last week we were wondering where were we going to go with the problem of the continuing resolution. You know, everybody focused on sequestration.

Continuing resolution, when it came to national defense is every bit as serious. And, frankly, we were on dead center. We needed some movement, and you all came, a week ago today, and you gave us some powerful, powerful testimony on the problem of the C.R. and what needed to be done. So our plan actually got a huge boost from what you told us.

And we went that very same day to our leadership and to the membership of the Republican conference and presented your testimony where they were cool in the beginning, they really warmed up. So the plan that we have is moving, and we are going to pass that plan in the House this week.

So thank you very much, not only for what you do in your military capacity, but you actually help us move our plan forward, hopefully solving some of the possible—potential problems of a continuing resolution. So I don't think we can thank you enough for what you do for our country.

And Mr. Chairman, thank you very much for letting me make those comments. I think it is important that they be recognized as to the importance of what they do.

Mr. CULBERSON. Thank you so much, Mr. Chairman.

I share those sentiments, and I deeply appreciate your service to the country, the men and women you represent, they do an extraordinary job, and it is truly our mission in Congress to ensure that they don't ever have to look over their shoulder or worry about their paycheck, their living conditions, their health care, the equipment that they have we want to make sure is the best in the world. So I would, at this time, like to introduce our witnesses. The four gentlemen that are well known to the nation, General Raymond T. Odierno, chief of staff of the United States Army; Admiral Jonathan Greenert, chief of Naval operations; General James F. Amos, coming out of the Marine Corps; General Mark A. Welsh III, Chief of Staff United States Air Force, deeply appreciate the time that you have taken to be here today with your busy schedules, and of course would like to ask without objection that your written statements be entered into the record in their entirety.

And due to the number of witnesses today, we would welcome your summarization of your statements in approximately 5 minutes. We will, as we go through the year, members, I just want to emphasize, we will start promptly on time. And for those members present in the room when I gavel, the hearing to order I will recognize you for questions in order of seniority alternating between majority and minority.

And for those of you who arrive after the hearing has started, I will recognize you in order of arrival.

I deeply appreciate your being here today, each and every one of you.

And we will start with you, General Odierno. Thank you very much sir for your service to the country and for being here today. We look forward to your testimony.

OPENING STATEMENT OF GENERAL ODIERNO

General ODIERNO. Thank you sir, Chairman Culberson, Ranking Member Bishop, and the rest of the committee thank you for allowing us to be here today.

I would just start out by saying, the combination of the continuing resolution, a shortfall in overseas contingency operation funds for Afghanistan, and the sequester in fiscal year 2013 has resulted in at least an \$18 billion shortfall to the Army's operation and maintenance accounts. As well as an additional \$6 billion worth of cuts across all of our other programs.

As I have said previously these cuts will have grave and immediate impacts to the Army readiness that will not only last in 2013, but will last well beyond 2013, and mitigate itself into 2014—excuse me—promulgate itself into 2014 and beyond.

Under sequestration and a full year continuing resolution, the Army will reduce all military construction by 7.8 percent, \$567 million reduction in fiscal year 2013, and all unobligated prior year accounts. We will be forced to delay progress on our top construction priorities, the renovation of an existing cadet barracks, and the construction of a new cadet barracks at West Point, and the Arlington National Cemetery expansion.

Until the Army receives an appropriations measure with new start authority, we cannot initiate 102 military construction projects that are scheduled for award in 35 states. We are reducing our base sustainment funds by \$2 billion in fiscal year 2013, a 70 percent drop from what has been historically required to run our installations. This translates into an estimated 100,000 facility work orders per month that will not be executed, which places the Army on a slippery slope, where our buildings will fail faster than we can fix them.

All restoration and modernization projects for fiscal year 2013 will be deferred. Budget cuts will have tremendous impact on one of my top priorities, family programs. The furlough of 251,000 valued civilian employees, reduction in base sustainment funds, and the elimination of service contracts will strain our ability to protect our Army family programs across every one of our installations.

Sequestration will force us to reduce resources for our schools, our day care centers, and every one of our family assistance and community service programs that rely upon the installation's infrastructure to provide services.

Sequestration will impose a \$44.7 million cut to our family housing program. Consistent with the Budget Control Act of 2011, the Army is reducing its authorized end strength by 89,000. Sequestration will impose an additional loss of at least an additional 100,000 soldiers from the active Army, the Army National Guard, and the U.S. Army Reserve. Together this will represent a 14 percent reduction of the Army's end strength, which will equate to an almost 40 percent reduction in our brigade combat teams.

This means we will have excess U.S. base installation infrastructure, therefore a future round of base realignment and closure is

essential to identify excess Army infrastructure, and prudently line civilian staffing and infrastructure with reduced force structure, and reduced industrial base demand.

If we do not make the tough decisions necessary to identify inefficiencies and eliminate unused facilities, we will divert scarce resources away from training, readiness, and family programs and the quality of our installation services will suffer.

I understand the seriousness of our country's fiscal situation. We have and will continue to do our part, but we simply cannot take the readiness of our force for granted.

In my opinion, sequester is not in the best interest of our soldiers, our civilians, and our national security. Furthermore, I do not want to see the impact of these cuts rest on the shoulders of our soldiers and civilians who so adequately and courageously defended our country over the last 12 years. Furthermore, I would ask that you provide us with an appropriations bill that would provide flexibility to reprogram funds to at least reduce some of the O&M shortfalls and allow for new starts.

Thank you, Mr. Chairman, and thank you to the committee for allowing me to testify here today.

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RECORD VERSION

STATEMENT BY

**GENERAL RAYMOND T. ODIERNO
CHIEF OF STAFF, UNITED STATES ARMY**

BEFORE THE

**U.S. HOUSE REPRESENTATIVES
APPROPRIATIONS SUBCOMMITTEE ON MILITARY CONSTRUCTION**

**FIRST SESSION, 113TH CONGRESS
FORCE STRUCTURE ISSUES AND THE IMPACT ON MILITARY CONSTRUCTION**

MARCH 5, 2013

**NOT FOR PUBLICATION UNTIL RELEASED BY THE
APPROPRIATIONS SUBCOMMITTEE ON DEFENSE**

GENERAL RAYMOND T. ODIERNO
38th Chief of Staff
UNITED STATES ARMY



General Raymond T. Odierno, assumed duty as the 38th Chief of Staff of the U.S. Army on 7 September 2011.

A native of Rockaway, New Jersey, General Odierno attended the United States Military Academy at West Point, graduating in 1976 with a commission in Field Artillery. During more than 36 years of service, he has commanded units at every echelon, from platoon to theater, with duty in Germany, Albania, Kuwait, Iraq, and the United States. After his first assignment with U.S. Army Europe, General Odierno was assigned to the XVIII Airborne Corps Artillery at Fort Bragg, N.C., where he commanded two batteries and served as a battalion operations officer.

General Odierno returned to U.S. Army Europe serving as a battalion executive officer and division artillery executive officer including deployment for Operations DESERT SHIELD and DESERT STORM. He later commanded 2nd Battalion, 8th Field Artillery, 7th Infantry Division, and the Division Artillery, 1st Cavalry Division.

From October 2001 to June 2004, General Odierno commanded the 4th Infantry Division, leading the division during Operation IRAQI FREEDOM from April 2003 to March 2004. From December 2006 to February 2008, he served as the Commanding General, Multi-National Corps – Iraq (III Corps) as the operational commander of the surge of forces. Later, he served as the Commanding General, Multi-National Force - Iraq and subsequently United States Forces - Iraq, from September 2008 until September 2010. From October 2010 until August 2011, he was the Commander of United States Joint Forces Command.

Other significant assignments include: Arms Control Officer, Office of the Secretary of Defense; Chief of Staff, V Corps; Assistant Division Commander (Support), 1st Armored Division; Deputy Commanding General, Task Force Hawk, Albania; Director of Force Management, Office of the Deputy Chief of Staff for Operations and Plans; and Assistant to the Chairman of the Joint Chiefs of Staff where he was the primary military advisor to Secretaries of State Colin Powell and Condoleezza Rice.

General Odierno holds a Bachelor of Science degree in Engineering from West Point and a master's degree in Nuclear Effects Engineering from North Carolina State University. He is a graduate of the Army War College and holds a master's degree in National Security and Strategic Studies from the Naval War College.

General Odierno is married to his high school sweetheart, Linda. They have three children: son Tony and his wife Daniela; daughter Katie and her husband Nick Funk; and son Mike. He and Linda also have three grandsons. His oldest son, Army Captain (Retired) Tony Odierno, is a combat veteran.

General Odierno's awards and decorations include four Defense Distinguished Service Medals, two Army Distinguished Service Medals, the Defense Superior Service Medal, six Legions of Merit, the Bronze Star Medal, the Defense Meritorious Service Medal, four Meritorious Service

Medals, the Army Commendation Medal, the Army Achievement Medal, and the Combat Action Badge.

The fiscal outlook which the U.S. Army faces today is dire and, to our knowledge, unprecedented. The Army has been in a state of continuous war for nearly twelve years – the longest in our Nation's history. Today we have nearly 80,000 Soldiers committed to operations around the world with approximately 60,000 in Afghanistan. Nearly 1.5 million Soldiers have deployed and more than half a million have deployed multiple times, some as many as four, five, and six times. More than 4,800 Soldiers have given their lives on behalf of this Nation.

Due to the lack of predictability in the budget cycle, operations under a continuing resolution in Fiscal Year 2013 (FY13), and continuing uncertainty about the outyear cap reductions associated with sequestration, it is not possible for me to speak with certainty and specificity on the posture of the U.S. Army in FY14. Instead, I will explain the budget challenges the Army faces in FY13 and detail the impact of those budget challenges on military construction; installation sustainment, restoration, and modernization; our workforce; and our family programs. Finally, I will close with an explanation of the long term effects that fiscal uncertainty both today and in the outyears will have on the Army in FY14 and beyond.

Previous U.S. Army Budget Reductions

Before I describe the challenges we face this fiscal year, let me remind the committee of the actions we have taken to reduce spending in the Department of Defense over the past three years. In 2010, the DOD developed a ten-year plan to achieve nearly \$300 billion in efficiencies under Secretary Gates. To comply with the discretionary caps outlined in the Budget Control Act of 2011, the FY 2013 Budget proposed \$487 billion in DOD funding reductions over ten years, of which the Army's share is estimated to be \$170 billion. Consistent with the drawdown of forces in Afghanistan and Iraq and in support of the 2012 Defense Strategic Guidance, the Army is reducing the authorized endstrength for active duty from a wartime high of about 570,000 to 490,000, the Army National Guard from 358,000 to 350,000, the U.S. Army Reserve from 206,000 to 205,000, and the civilian workforce from 272,000 to 255,000 by the end of fiscal year 2017 (FY17). This is a net loss of 106,000 Soldier and civilian positions.

By FY17, we will downsize our active component force structure from 45 Brigade Combat Teams to potentially as low as 32. On January 18th, we released a Programmatic Environmental Assessment describing the impact of potential force structure reductions across the Army. We began these force reductions in FY12 focused initially on our overseas formations. In 2014, however, we will begin significant force reductions in the United States.

In addition to personnel and force structure reductions, we have had to extend the timelines of our modernization programs and reduce the frequency of our training exercises putting us on the outer edge of acceptable risk for our future force and our ability to meet our National Security Strategy.

The actions we have taken in response to the 2012 Defense Strategic Guidance are independent of the continuing resolution and sequestration. However, the domestic impacts of these actions are only now beginning to be felt and will be magnified over the next several years.

Fiscal Year 2013 Budgetary Challenges

The fiscal crisis we now face is due in part to the fundamental lack of predictability in the budget cycle. The Department of Defense has operated under a continuing resolution for 14 of the last 28 months. Continuing resolutions create inefficiencies by prohibiting new starts and planned production rate increases for needed programs, limiting reprogramming actions, and delayed program execution. This uncertainty creates challenges in projecting future funding requirements that inform our annual budgets over time. The lack of predictability has been exacerbated by the threat of sequestration for the past year and a half. In FY13, we now find ourselves in the midst of a perfect storm created by a continuing resolution that puts funding in the wrong places, a shortfall in funds for overseas contingency operations due to higher than anticipated costs in theater, and sequestration. If not addressed, the current fiscal uncertainty will significantly and rapidly degrade Army readiness for the next five to ten years.

The FY13 continuing resolution has funded the Army's base budget at fiscal year 2012 levels, resulting in a shortfall of approximately \$6 billion in the Operation and Maintenance, Army (OMA) accounts relative to the President's Budget. In the absence of a full-year appropriation that reallocates funds where they are needed, the Army will need to reprogram the necessary funds across appropriations to address this shortfall and protect readiness as much as possible.

Under the continuing resolution, we also face an approximate \$5-6 billion shortfall in OMA Overseas Contingency Operations (OCO) funding for FY13 because of increased costs related to the war in Afghanistan. This impacts the preparation of units about to deploy, current operations in support of Operation Enduring Freedom (OEF), and our ability to reset equipment and personnel. In order to ensure our Soldiers are prepared, we have committed and will continue to commit to funding 100% of our operation and maintenance requirements for OEF. However, this exacerbates the funding shortfalls for the rest of the Army that is not deploying to Afghanistan, creating unacceptable readiness for the future.

In addition to the impacts that the continuing resolution and OCO shortfalls are having on the force, a sequestration order was issued on March 1, and a second sequestration order due to a breach in the FY13 discretionary caps is scheduled to be implemented on March 27. Using DOD planning assumptions for sequester, we estimate that sequestration will impose an additional challenge: a \$12 billion cut on the Army's budget in the remaining months of FY13, to include a more than \$5 billion cut in OMA, and approximately \$1 billion in the Reserve Component operation and maintenance accounts. The remaining \$6 billion will be taken across the board from our procurement; Research, Development, Test, and Evaluation (RDTE); and military construction accounts.

While budgetary uncertainty negatively affects each of the Army's operating and investment accounts, our OMA account is the most heavily burdened. Together, the continuing resolution, increased cost of OCO operations, and sequestration will equate to an \$18 billion shortfall in the OMA account for the final seven months of FY13.

As always, our priority will be to ensure that all Soldiers in Afghanistan and those next to deploy are prepared and ready. We will ensure that the Forces in Korea are properly equipped and ready. We will continue to fund all programs related to Wounded Warrior care. Then we will determine if we have sufficient funds to continue training the Global Response Force at Fort Bragg and other locations. These priority efforts account for 43% of our OMA but apply to

only 20% of the force. The remaining 80% of the force will have to absorb the \$18 billion shortfall out of the OMA funds available during the last seven months of the fiscal year. What that means is that we will curtail training for 80% of the force and dramatically reduce installation sustainment. Even with training and sustainment spending curtailed, we expect our accounts will be exhausted before we reach the end of the fiscal year. The impact will translate into significant readiness issues through FY14 and beyond, and put at risk our ability to deploy forces to meet all contingency operations.

Fiscal Year 2013 Impacts to Military Construction (MILCON) and Army Installations

Military Construction Overview

The FY13 continuing resolution impacts 102 projects that are scheduled for award in 35 states and additional overseas locations. Until the Army receives an appropriations measure with new start authority, we are restricted from initiating any FY13 projects. The FY13 continuing resolution does not allow for the construction of new-start projects including:

- Barracks at Fort Hunter-Liggett, CA; Schofield Barracks and Wheeler Army Air Field, HI; Orchard Mates Readiness Center, ID; Fort Campbell, KY; Fort Leonard Wood, MO; Sea Girt, NJ; Camp Gruber, OK; Fort Jackson, SC; Joint Base San Antonio, TX; Camp Williams, UT; Fort Lee, VA; Joint Base Lewis-McChord, WA; and Camp Ederle, Vicenza, Italy;
- Army training and firing ranges at Fort Wainwright, AK; Joint Base Elmendorf-Richardson, AK; Fort McClellan, AL; Fort Hunter-Liggett, CA; Fort Carson, CO; Camp Blanding, FL; Fort Gordon, GA; Fort Stewart, GA; Wheeler Army Air Field, HI; Camp Dodge, Johnston, IA; Fort Campbell, KY; Fort Devens, MA; Arden Hills Training Site, MN; Fort Bragg, NC; Joint Base McGuire-Dix-Lakehurst, NJ; Fort Sill, OK; Fort Knox, TN; Fort Bliss, TX; Fort Hood, TX; and Joint Base Lewis-McChord, WA.
- The Water Treatment Plant at Joint Base Lewis-McChord, WA; and
- The Satellite Communications (SATCOM) Facility in Japan.

Under sequestration and a full-year continuing resolution, the Army will reduce all MILCON by 7.8% which equates to a \$567 million reduction to FY13 and unobligated prior-year accounts. For FY13, there are no anticipated MILCON project cancellations or radical downsizing of ongoing projects. In the event project cancellations are required due to sequestration, we will prioritize projects to determine which ones to defer or cancel.

Domestic Military Construction: West Point Barracks and Arlington National Cemetery

Two of the Army's top construction priorities are the renovation of the nine existing buildings that constitute the Cadet Barracks complex, and the construction of a new cadet barracks at the United States Military Academy (USMA) at West Point. The existing barracks are in a deteriorating state of repair due outdated mechanical systems, water infiltration, failed electrical and plumbing infrastructure, and antiquated fire protection systems. Barracks also do not meet current life, health, safety codes or gender equity requirements. For this reason, the 2013 National Defense Authorization Act (NDAA) required a comprehensive plan to address all the aging barracks. Renovations under the nine year Cadet Barracks Upgrade

Program (CBUP) were to commence in FY13, however, due to shortfalls in the OMA account, the Army will likely defer the \$50.5 million renovation of Scott Barracks and delay the entire renovation plan. In addition, the 2013 NDAA authorized the construction of a new Cadet Barracks, the first since 1965, to address the admission of women in 1976, the expansion of the U.S. Corps of Cadets in 2006, and the re-purposing of rooms for education and leader development. However, the lack of a FY13 appropriations measure with new start authority puts this project in jeopardy, perpetuating cadet overcrowding and further deterioration of our barracks and facilities.

Unless the Army receives appropriations requested in the FY13 budget for Arlington National Cemetery, the ability to continue burying our Nation's Veterans at the Cemetery will be at risk within 10 years. Without the \$84 million requested for the Millennium project, construction will not begin on this critical expansion of ANC. This fiscal year's budget also included a request of \$19 million for planning and design of the expansion in the former Navy Annex footprint. Delays in funding for the expansion projects could result in a lapse in Arlington's ability to intern Veterans beginning in 2024. Further in the event of a full year CR for FY13, ANC funding will be reduced to \$45.8 million from the requested \$173.8 million, resulting in a complete failure to fund either critical expansion projects.

Overseas Military Construction

We have endorsed and made significant progress over the past seven years in our efforts to reduce our footprint in Europe and return Army units stateside. However, ongoing budget reductions and sequestration put this progress in jeopardy. In 2006, there were 22 garrisons with 235 sites that supported 54,000 Soldiers. From 2006-2013, we have closed six garrisons, 106 sites, and returned over 28,000 acres back to host nations. Today, there are 12 garrisons with 130 sites. To date, we have been on track to achieve our 2016 goal of seven garrisons with approximately 75 sites supporting about 30,000 Soldiers. However, a reduction in FY13 Sustainment, Restoration, and Modernization (SRM) funds will delay the projected closure of 12 sites at a cost of \$22 million.

A failure to close bases in Europe as planned will have profound secondary and tertiary effects. A lack of funding will delay the consolidation of the US Army Europe (USAREUR) headquarters at Wiesbaden which once complete, would yield \$112 million in savings annually. Unit inactivations that are already underway and affect over 5,000 Soldiers will be slowed. For example, we may delay the move of the 42nd Engineer Company from Bamberg, Germany to Fort Knox, KY and the relocation of the 99th Movement Control Team from Aviano Air Base, Italy to Fort Eustis, VA. These delays will increase base sustainment funds by an estimated \$66 million for every year the projects or moves are deferred.

Consolidation and realignment for U.S. Forces Korea (USFK) is proceeding as planned. In 2004, there were four US Army Garrisons, with 91 sites on 26,000 acres, supporting a peak of about 32,000 Soldiers. From 2004 to 2013, we have closed 31 sites and returned nearly 7,300 acres to the Republic of Korea; today, there are 60 sites supporting 19,180 Soldiers. Construction associated with the Land Partnership Plan to relocate 2nd Infantry Division and the Yongsan Relocation Plan, to move the headquarters of USFK and 8th U.S. Army, are on pace for completion in 2016. To date, we are on track to achieve our 2016 goal to consolidate

into two garrisons with 38 sites occupying approximately 13,000 acres – an approximate 50% reduction in the Army footprint since 2004.

Installation Sustainment

We are in the process of reducing our base sustainment funds by \$2 billion in FY13, a 70% drop from what has been historically required to run our installations. This means even bare minimum maintenance cannot be sustained. In the event of water main breaks, clogged sewage, water damage, or power failure, there will not be adequate funding to repair these facilities, which would likely result in closure and personnel relocation. This also translates into an estimated 100,000 facility work orders per month that will not be executed, which places the Army on an accelerated slippery slope where our buildings will fail faster than we can fix them and long term additional repair costs are far beyond those needed for preventative maintenance.

Sequestration will impose a \$44.7 million cut to our family housing program. We will be forced to reallocate funding between subaccounts to ensure payment for utilities and leases are covered. Primary sources for funding would be maintenance and repair, furnishings, and housing services accounts which will result in the continued deterioration of failing housing units and a backlog in repairs and maintenance.

Due to the FY13 shortfalls in OMA I have described, Army energy projects funded through Sustainment, Restoration, and Modernization (SRM) funds, to include upgraded energy efficiencies, utility system modernizations and small renewable projects, will also be deferred. As a result, future Army utility bills will be higher than forecasted and critical energy security investments will be deferred. The Army will continue to support energy efficiency and large scale renewable energy projects utilizing third-party financing to the extent possible. However, our sustainability efforts will be significantly scaled back, further increasing future expenses for waste removal, water conservation and land use.

We are on target to meet DOD goals for cleaning up sites on our installations, and we continue to manage environmental compliance requirements despite operating in a constrained resource environment. However, at BRAC sites, environmental and other caretaker actions could be impacted by sequestration in several ways. For example, civilian furloughs and reductions to the contractor personnel who oversee and execute the BRAC program will delay the staffing of documents, permits, policy approvals, contracts, and other actions to complete base closures. The Army will continue to prioritize available funding first towards program management and caretaker requirements, and then towards legally required environmental clean-up activities. We will ensure that the immediate safety of human health and the environment is a priority.

Restoration and Modernization

Due to the combined shortfalls in OMA, all restoration and modernization (R&M) projects in FY13 will be deferred. Listed below are those projects most significantly impacted.

- The Training Barracks Upgrade Program (TBUP), which consists of twelve projects at eight installations, is closely coordinated for the scheduled training capacity at specific

installations for both Basic and Advanced Individual Training. A delay in the start of these projects is likely to impact future training schedules.

- The deferral of pavement repairs at Pope Army Airfield, Fort Bragg, NC will impede airfield deployment operations and could force deployment from remote airfields at greater cost and significant operational risk.
- The deferral of hangar upgrades associated with the establishment of the 16th Combat Aviation Brigade at Joint Base Lewis-McChord, WA will impede aircraft maintenance and safety for units required to remain in sub-standard hanger space that does not meet operational needs.
- The deferral of the Aberdeen Proving Ground Waste Water Treatment Plant, the last of the Army treatment plants to be repaired, will have significant second and third order effects for local units and communities. The installation is currently not meeting environmental discharge requirements into the Chesapeake Bay. Failing to take corrective action will risk significant fines in addition to impacts to the environment and community relations.
- The deferral of improvements to the unreliable lighting systems at Redstone Arsenal Airfield (RAAF), Huntsville, AL has resulted in the frequent diversion of inbound flights to other surrounding airports, negatively impacting RAAF's ability to support tenant mission requirements.

Deferral of these high visibility R&M projects magnify already-verified infrastructure risks, invite more costly repairs in the future, and cause economic hardship upon the affected communities. Cuts to facilities sustainment, restoration and modernization may provide modest costs savings in the near term. However, the costs to the Army will increase the longer sustainment is deferred and conditions are allowed to degrade. In the extreme, it is possible that facility conditions could degrade to the point where more costly military construction would be required to replace a facility because restoration is no longer possible. This is a great concern with National Guard and Army Reserve facilities.

Contracting

We have initiated an Army-wide service contract review to identify savings and we are taking action to potentially reduce or terminate all non-essential contracts in coordination with our commands. These contracts support a myriad of programs, including facility maintenance, education and training, medical support, and equipment and provide thousands of jobs across our Army installations. Many of these contracts provide direct support to our Soldiers, civilians, and their families; their cancellation will cause backlogs in services rendered at our hospitals, our education centers, our schools, and our child development centers. Once a contract is terminated, it takes at least 150 days to restart a cancelled program, increasing the workload on an already taxed acquisition workforce, and increasing costs of the program in the short term.

Workforce

We have initiated planning to furlough up to 251,000 civilians for one day a week for twenty-two weeks, in full recognition of the risks of decreased productivity, morale, and the loss of 20% of their pay while furloughed. In addition to the hardship this poses to our

dedicated workforce, this furlough will have an immediate trickle-down effect as the majority of these civilians are located throughout the U.S. on our posts and stations, and their spending directly impacts local economies and contributes towards state and local taxes. Although we will endeavor to protect critical services as much as possible, any furlough would have an immediate impact on fire and emergency services, law enforcement, airfield operations, and all of our Army family programs.

We are terminating an estimated 3,100 temporary and term employees and have directed an immediate Army-wide hiring freeze. These employees typically fill gaps in our installation services such as Army substance abuse programs, law enforcement, physical security, public works, and installation education programs. This hiring freeze, in addition to the reductions of approximately 900 service contracts, will prevent us from addressing the effects of natural attrition, potentially causing Soldiers and Civilians to perform duty in fitness centers, personnel service retirement service, housing referral service offices, grounds maintenance, custodial work, dining facilities and logistical support. Using Soldiers for duties outside their Military Occupational Specialty will detract from training and readiness.

Family Programs

One of our greatest concerns is the degree to which Army Family Programs will be affected by workforce reductions, cuts to base sustainment funding, and the elimination of contracts. We will make every effort to protect these programs to the greatest extent feasible. If sequestration takes place, we must prioritize funding for civilian pay, installation utilities, and key life health and safety services first. We will be required to find cost savings through the termination of contracts and other reductions to family programs.

For example, our valued civilian employees represent as much as 60% of the workforce at many Army medical treatment facilities – three times that of our Sister Services. In addition, the Army provides 48% of all DOD civilian and military medical services. The imposition of an across-the-board furlough will disproportionately hurt Army medical services as compared to impacts on other Services' medical services. Wounded Warriors have first priority for health care and are covered by an enhanced access standard under the Army Medical Action Plan. The Army Surgeon General's guidance to our Army treatment facilities is to internally realign staff to cover civilian absences in our most critical programs, to include Warrior Care, behavioral health, and the Integrated Disability Evaluation System. However, it is likely that significant second order impacts will be felt by our Soldiers, their Family members, and the rest of our beneficiary population who will experience degraded access to care and the potential dissatisfaction with our system as non-urgent care is deferred to the network. FY13 budget reductions coupled with the loss employees will require that we prioritize patient care and defer funds for Medical Treatment Facility equipment and facilities maintenance.

The loss of temporary, term, contractor employees and permanent employee workdays due to civilian furloughs will affect the delivery of services at Army Community Service, in programs like Army Family Team Building, spouse employment services, victim advocate support to domestic violence victims, survivor outreach support to our surviving family members, critical family and new parent life skill development programs, and support to Families with special needs children. Child Development Centers (CDCs) will likely lose flex and hourly childcare support, and will likely reduce hours based on the Army wide hiring freeze, looming furlough, and funding reduction.

Long Term Effects of Fiscal Uncertainty and Budgetary Cuts

End Strength

In addition to the immediate impact of sequestration for FY13, the lowering of discretionary caps for FY14-FY21 will have long term impacts that extend beyond the current fiscal year. In order to maintain a balance between end strength, readiness, and modernization, the Army will have to reduce additional 100,000 personnel across the Active Army, Army National Guard and U.S. Army Reserve. This will generate, at a minimum, a total reduction of 189,000 Soldiers in the coming years, but the figure will probably be closer to 200,000.

Installations

The planned reduction of 14% of the Active Army's endstrength to 490,000 by the end of FY17 will create excess US-based installation infrastructure. Since 2005, as we reduced installations overseas, many units relocated back to the United States. For example, Forts Benning, Bliss, Bragg, Carson, Knox, and Riley received approximately seven million square feet of additional infrastructure to host and support these units returning home from overseas. The additional capacity here at home was important because it helped the Army transform from a division-based force into modular Brigade Combat Teams.

With sequestration triggered, we face additional and significant reductions in the annual funding caps limiting defense budgets for the next nine years; these reductions would cause reductions in military and civilian endstrength. A future round of base realignment and closure (BRAC) would be essential to identify excess Army infrastructure and prudently align civilian staffing and infrastructure with reduced force structure and reduced industrial base demand. BRAC would also allow for a systematic review of existing DOD installations to ensure effective Joint and multi-service component utilization. If we do not make the tough decisions necessary to identify efficiencies and eliminate unused facilities, we will divert scarce resources away from training, readiness, and Family programs and the quality of our installation services will suffer.

The Risks of a Hollow Force Tomorrow

If sequestration is not reversed, the Army will begin to grow "hollow" within months. A hollow force is one in which there is prolonged and disproportionate investment across manpower, operations and maintenance, modernization, and procurement without corresponding adjustments to strategy. The Army, without adequate funding, will be forced to make resourcing decisions that would only accelerate and compound inequalities and risk in the force to other operational plans in the future. The out year reductions in budget caps associated with sequestration would extend these problems. Some examples:

- Available personnel would be shifted from non-deployed to deploying forces in order to meet operational demands. This would exacerbate personnel shortfalls more and more each month and place combatant commander operational plans at higher risk.
- Equipment would be migrated from non-deployed to deploying forces in order to fill shortages due to incomplete reset and redistribution, or shortages arising from the lack

of equipment retrograded from theater. Again, this would jeopardize combatant commander operational plans in an ever-increasing manner each succeeding month.

- Shortage of repair parts would drive cannibalization and reduced training events will significantly impact our ability to build readiness. This would have a compounding effect on the capability of our equipment and the effectiveness of Army units.
- Soldier training. Perhaps no other example is as important. We would not be able to fully train our Soldiers, whether through individual professional military education nor collective unit training, in a way that would enable them to operate successfully in a joint, interagency environment across the range of military operations (from stability operations to decisive action). After the current fiscal year, the deficit in trained forces will place us in jeopardy of being unable to meet the requirements of our higher end war plans.

Such a force will grow in "hollowness" each month that the Army is forced to re-distribute resources, funding, and training, most importantly Soldiers from non-deployed forces to support current operations without the necessary resources to prepare for contingency operations.

The Army's Future Readiness

Ladies and Gentlemen, the fiscal uncertainty caused by repeated continuing resolutions and the implementation of sequestration is not in the best interest of our country, our Soldiers, or our national security. The lack of a fiscal year (FY) 2013 Appropriation bill from Congress and continued funding through a Continuing Resolution at FY12 appropriation levels prevents the Army from prioritizing funding for current readiness and critical sustainment functions. This effect will cascade into FY14, creating readiness problems in that year and beyond. If not given relief through passage of either an appropriation or a CR that realigns funding, the Army will not be appropriately resourced to ensure a balanced trained, equipped and ready force, which will put our ability to meet wartime needs and Combatant Commander requirements' at significant risk.

Sequestration will affect over 300,000 Army civilian and contracting jobs and have an estimated economic impact of \$15 billion across all Army installations. If all nine years of severe budget reductions that began to go into effect on March 1 are realized, it will take the Army five to ten years to fully recover readiness to the level we and the American people expect it to be. While all of these trends are ultimately reversible, the critical variable is time. Maintaining a capable and ready Army is not like flipping a light switch; it takes years of effort by a large number of dedicated professionals. Sequestration will take that time away from us.

The complexity of the cumulative effects of the sequester and the FY13 budget request as compared to the full year CR requires a comprehensive solution. The Army requests support to move funding within and across Appropriations, including moving funding between Budget Activities (BA), Sub Activity Groups (SAG), Program Elements (PE), Projects, Programs, Accounts, Standard Study Numbers (SSN) and Budget Line Item Numbers (BLIN) for all Army Defense and Military Construction Appropriations. I must stress, however, that fiscal flexibility, while essential, is not sufficient to avert the problems we face. Even if we get relief from current restrictions, the budget reductions in FY14 and beyond that are associated

with sequestration will pose a significant risk to readiness and will force us to reconsider the Army's ability to execute its obligations under the Defense Strategic Guidance.

We have a talented, committed, experienced, well-led, and professional force. Our Army has performed its missions in Iraq and Afghanistan with great proficiency, professionalism, and courage. We cannot take the readiness of our force for granted. We cannot send our Soldiers into combat unprepared. If we don't have the resources to ensure their readiness, our Soldiers will be the ones who pay the price. It is inconceivable to me that we will put this burden on the shoulders of those who have sacrificed so much during nearly twelve years at war.

Mr. Chairman, Members of the Committee: Thank you again for the opportunity to testify before the committee. The Army leadership understands the seriousness of our country's fiscal situation, but we need a legislative solution that averts sequestration and gives our leaders the flexibility to work with the resources you provide to shape our Forces for the future. We will be good stewards of the resources you give us. It is an honor to serve this great Nation and stand beside the dedicated professionals of our Army.

The strength of our Nation is our Army
The strength of our Army is our Soldiers
The strength of our Soldiers is our Families.
This is what makes us Army Strong!

I look forward to your questions.

Mr. CULBERSON. Thank you, General Odierno.

We in a bit of a—you know, this is a little bit confusing and it is frustrating to me just because of the nature of the process, but we are, thank goodness, going to be able to pass an appropriations bill. It will be a C.R. with the defense appropriations bill that Chairman Young has put together and our military construction bill for 2013.

So you are actually—we are going to get, thank God, a complete defense appropriations bill and a complete MILCON, and V.A. bill, thank goodness. We are certainly in a very difficult fiscal environment, so fortunately, General—Admiral, General Amos, and General Welsh, the, you are going to have, by the end of the week, out of the House, a DOD bill and a MILCON–V.A. bill for 2013 that actually gives you a certain amount of cushion and protection.

There will be some cut out of that 2013 level, but it won't be as difficult a course as it would have been with a C.R. and automatic cut out of that 2012 level.

So as you go through your testimony, keep that in mind, that we are doing our best to cushion the blow as much as possible.

Admiral Greenert, we welcome your testimony. Thank you.

OPENING STATEMENT OF ADMIRAL GREENERT

Admiral GREENERT. Thank you, Mr. Chairman. Then you will recognize my points.

Thank you for, and Ranking Member Bishop, for what you have done. Distinguished measures, distinguished members of the committee. And I want to thank you for your support on our military construction request, especially.

Our naval forces are defined by two important qualities, Mr. Chairman. We operate forward where it matters, at the maritime crossroads of the world. And we are ready when it matters. And this remains our mandate.

And because of it, your Navy and your Marine Corps are uniquely able to quickly respond to crises and assure our allies, build partnerships, deter aggression, and contain conflict.

Our near-term concern with the implementation of sequestration and the current lack of an appropriation bill is the impact on deployed operations, both this year and next year.

However, make no mistake, the \$10 billion to \$13 billion per year reduction to our budget over the next 8 years will fundamentally change the shape, it will change the size, and it will change the way we operate in our Navy.

We will not be able to respond in the way we can today and the way we have in the past. That will be a fact of life. We should make that kind of strategic adjustment consciously and deliberately, however. And now that sequestration has been implemented, we will pursue solutions that minimize acute readiness degradation caused by the simultaneous impact of sequestration and a continuing resolution.

Now, within the Navy Department, we have resources that can be reallocated to fund our operations and maintenance for this year.

For example, the continuing resolution constrains our accounts at the level of last year's funding level. But this fiscal year, we are

implementing a new defense strategy, and that emphasizes readiness over capacity.

So as a result, we currently have about \$3.7 billion more in our investment accounts than we requested, and we currently have \$4.6 billion less in our operations accounts than we requested.

So we are out of balance. And this unbalance is made worse in our operations account because of sequestration.

Today we are reducing our presence in every theater and stopping training for next year's deployments. Now with either an appropriation bill or the authorities to reallocate funds where they are needed, we would first be able to restore the training and maintenance and keep a carrier strike group and an amphibious ready group in the Middle East and the Pacific through next fiscal year.

As more funds are transferred and as we can recover here into our operations account, we would restore the rest of this year's planned deployments, training and maintenance.

That wouldn't bring back all the activities that we requested for this year, but it is the minimum needed to support the department's Global Force Management Allocation Plan.

Mr. Chairman, that is our demand signal; that is our covenant with the combatant commanders, the Global Force Management Allocation Plan.

Given that funds are available, we should not delay. And in the last 2 months, we missed \$600 million worth of ship, aircraft and facility maintenance, training, and we also missed some program management.

In this month alone, we will miss more than \$1.2 billion of maintenance and operations because we are deferring planned activity. These are lost opportunities, many of them, and these will increase each month as we go on a continuing resolution.

Again, most are not recoverable. For example, we can't go back and redo a deployment that was already gaffed, and we can't go back and redo a ship maintenance when that ship's schedule requires it to continue on into its deployment.

Our Navy is at its best when it operates forward. And our modest overseas MILCON and facility investment requests enables our ships, our aircraft, and our sailors and civilians to operate from or be based in overseas places where they can rest, refuel, repair and resupply. Operating forward is more efficient than rotationally deploying units from the continental United States.

Under the continuing resolution all of our military construction projects are on hold. You know that.

Because of the continuing resolution and sequestration, we were compelled to stop almost all of our facility renovation and modernization. Our ability to continue operating forward is constrained because of that.

The continuing resolution and sequestration directly impact our sailors, our civilians and also our families. Our folks are stressed by uncertainty, the uncertainty about their jobs, the uncertainty of their schedules and their future.

So we ask that the Congress quickly act to provide an appropriations bill for this fiscal year or a continuing resolution that at least

gives us the authority for new projects, allows the department, us, to reallocate the funds that we have very quickly.

Time is critical, Mr. Chairman.

I want to thank you for this opportunity to testify on behalf of our sailors, our civilians, and our families.

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SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS

STATEMENT OF

ADMIRAL JONATHAN GREENERT

CHIEF OF NAVAL OPERATIONS

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION,

VETERANS AFFAIRS AND RELATED AGENCIES

OF THE

COMMITTEE ON APPROPRIATIONS
ON

FORCE STRUCTURE CHANGES AND THEIR IMPACTS
TO THE MILCON PROGRAM

5 MARCH 2013

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SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS

Chief of Naval Operations

9/23/2011 - Present

Admiral Jonathan W. Greenert

Adm. Jonathan W. Greenert is a native of Butler, Pa. He graduated from the U.S. Naval Academy in 1975 and completed studies in nuclear power for service as a submarine officer.

His career as a submariner includes assignments aboard USS *Flying Fish* (SSN 673), USS *Tautog* (SSN 639), Submarine NR-1 and USS *Michigan* (SSBN 727 - Gold Crew), culminating in command of USS *Honolulu* (SSN 718) from March 1991 to July 1993.

Subsequent fleet command assignments include Commander, Submarine Squadron 11; Commander, U.S. Naval Forces Marianas; Commander, U.S. 7th Fleet (August 2004 to September 2006); and, Commander, U.S. Fleet Forces Command (September 2007 to July 2009).



Greenert has served in various fleet support and financial management positions, including deputy chief of Naval Operations for Integration of Capabilities and Resources (N8); deputy commander, U.S. Pacific Fleet; chief of staff, U.S. 7th Fleet; head, Navy Programming Branch and director, Operations Division Navy Comptroller. Most recently he served as 36th vice chief of naval operations (August 2009 to August 2011).

He is a recipient of various personal and campaign awards including the Distinguished Service Medal (6 awards), Defense Superior Service Medal and Legion of Merit (4 awards). In 1992 he was awarded the Vice Admiral Stockdale Award for inspirational leadership. He considers those awards earned throughout his career associated with unit performance to be most satisfying and representative of naval service.

Greenert became the 30th Chief of Naval Operations Sep. 23, 2011.

Updated: 23 September 2011

Chairman Culberson, Ranking Member Bishop, and distinguished members of the Committee, thank you for holding this hearing and for the opportunity to testify on our Military Construction, facility investment and Quality of Life programs. These programs ensure our ability to operate forward around the world, support our Sailors and their Families and maintain the readiness of our force.

Important qualities of our naval forces are their persistent forward presence and readiness to respond to crisis. Because they continuously operate forward at strategic maritime crossroads such as the Straits of Malacca, Hormuz, or Gibraltar, our Navy and Marine Corps are our nation's first responders to crises such as terrorist attack or natural disaster. By being where they are needed, when they are needed, naval forces deter aggression, contain conflict and assure allies while building partnerships.

When I last appeared before you, senior DoD leaders were conducting an assessment of our force's ability to implement the new Defense Strategic Guidance (DSG). In the Navy we also assessed the capabilities, training and forces required to execute that strategy. I concluded that our FY13 budget proposal provides the capability and readiness required by the DSG within our fiscal constraints. Based on the limitations of the Budget Control Act of 2011 (BCA), our FY13 budget submission carefully accepted risk in certain areas such as shore readiness. Additional budget reductions will increase the risk to our shore readiness and Sailor and family support, particularly the Navy's program to improve family and unaccompanied housing.

There is no question we must get our nation's fiscal house in order, but we should do so in a coherent and thoughtful manner that ensures appropriate readiness, warfighting capability and forward presence – the attributes we depend upon from our Navy. Unless we change course we will, without proper deliberation, dramatically reduce: our overseas presence; our ability to

respond to crises; our efforts to counter terrorism and illicit trafficking; and our material readiness across the Navy (afloat and ashore). Perhaps more disconcerting, we may irreversibly damage the military industrial base we depend upon to build and maintain our ships and aircraft. Over the next decade, the combination of sequestration and reduced discretionary caps would compel us to dramatically reduce our fleet size. Under these circumstances, I assess your Navy will be limited in its ability to provide the capability and capacity called for in the current defense strategy and unable to fully support the Global Force Management Allocation Plan for our Combatant Commanders.

Our situation

We face three separate, but linked, budget mechanisms that converge and place at risk our ability to carry out our defense strategy. As a result of the failure of the Joint Committee established under the BCA to achieve \$1.2 trillion in deficit reduction, sequestration was ordered March 1; in addition, a second sequestration, due to a breach in the FY 2013 discretionary caps, is scheduled to be ordered on March 27. Sequestration adds to an existing budget shortfall in operating accounts created by the Continuing Resolution (CR). The CR and Sequestration render us unable to continue our current and anticipated level of operations, compel us to cancel some maintenance and training and constrain our ability to invest in future capability and capacity.

We will approach this challenge using our enduring tenets, established upon my assuming the office of CNO, to guide us:

- Warfighting First
- Operate Forward
- Be Ready

The Navy's primary mission is to be ready to fight and win today, while building the ability to win tomorrow; all our efforts remain grounded in this fundamental responsibility. We will continue to operate forward, where the Navy is most effective; but at significantly lower levels. And we will endeavor to remain ready, providing our fleet and Sailors the best possible training, maintenance, and logistics to assure their confidence and proficiency.

FY13: A readiness crisis in the making

Our immediate concern from the CR is the impact on readiness and training during this fiscal year. In general, the CR is based on FY12 base funding levels and therefore includes fewer operating dollars than we proposed, and Congress authorized, for FY13. If extended for the whole fiscal year, the CR would provide the Navy \$3.2 billion less in operations and maintenance funds than requested in the FY13 budget. In addition, we have incurred \$1.4 billion in unplanned costs during FY13 from emergent ship repairs and increased (and unbudgeted) presence in the Arabian Gulf. Furthermore, the CR prohibits the start of new projects, even those included in our FY13 budget submission and subsequently authorized. If the CR is extended for the whole fiscal year, we will stop work on two aircraft carrier refueling overhauls (USS ABRAHAM LINCOLN and USS THEODORE ROOSEVELT), one of which is on track to finish within the next four months. The prohibition on "new starts" and quantity increases under the CR also compels us to defer construction of USS JOHN F. KENNEDY (CVN-79) and cancel the planned procurement of an *Arleigh Burke*-class guided missile destroyer, multiple P-8A Poseidon aircraft and hundreds of weapons. The CR also prevents completion of the construction of USS SOMERSET (LPD-25) and USS AMERICA (LHA-6). Similarly, we will not begin about \$675 million in "new start" military construction projects while under the CR.

In addition to the CR funding shortfall in operating accounts, the March 1 sequestration imposes significant additional cuts in FY13, reducing all of our accounts by about eight percent. And as noted above, due to a breach in the FY 2013 discretionary caps a second sequestration is scheduled to be implemented on March 27. The Department estimates the combined sequestration effects will be a nine percent reduction, resulting in \$4 billion reduction to Navy operations and maintenance funding from current levels. Taken together, the CR, sequestration and emergent costs creates an \$11.2 billion shortfall in the Navy FY13 budget overall, including an \$8.6 billion shortfall in our operations and maintenance account for FY13. \$12.3 billion was already spent from this account in the first quarter of FY13, and another \$16.4 billion is committed to existing contracts and safety requirements. Therefore, we must find \$8.6 billion in savings from the remaining \$20.2 billion— more than a third of the money available in the operation and maintenance account.

Impacts to Shore Readiness

The FY13 MILCON budget submission requested \$1 billion for 30 projects in the continental United States and overseas. The current CR precludes us from starting any of these projects except one - the previously-authorized construction of Explosive Handling Wharf 2 at Naval Base Kitsap. A year-long CR without “new start authority” will delay replacing aging facilities, support to new capabilities and – when combined with reductions to our modernization and repair projects – will further degrade our infrastructure’s overall material condition.

Within the United States, our planned FY13 MILCON supports facilities readiness, quality housing, as well as operations, training and maintenance associated with new platforms and systems. These new platforms and systems are designed to affordably improve the relevance of our Fleet to current and future threats and take advantage of emerging opportunities.

Construction projects totaling nearly \$250 million support the Broad Area Maritime Surveillance unmanned air system, Littoral Combat Ship, future Aegis combat system upgrades, EA-18G *Growler* aircraft, MH-60S *Seahawk* helicopter, and the *Gerald R. Ford*-Class aircraft carrier. Delays in the construction of supporting infrastructure could delay or otherwise inhibit introducing the new capabilities these platforms and systems bring.

The proposed FY13 MILCON budget continued the investment to provide quality housing for our Sailors and their Families. The CR and sequestration force us to defer plans to renovate and recapitalize inadequate housing, further delaying our attainment of Secretary of Defense adequacy goals for family and unaccompanied housing. The largest impact of this delay will be felt by our junior Sailors, who predominately rely on unaccompanied housing. Quality housing significantly impacts Sailor retention, productivity, and individual and mission readiness.

Our Navy is at its best, and best supports our national interests, when it operates forward. Overseas MILCON provides facilities for our forces to rest, repair, refuel and resupply. One ship, aircraft or unit based in or operating from a forward location provides the same presence as four rotationally deploying from the United States. Our FY13 budget submission included 14 overseas MILCON projects including weapons bunkers in Rota, Spain; housing for Sailors and their Families in Japan; logistics support facilities in Souda Bay, Greece; and a dining facility in Bahrain. The deferral of these projects reduces our ability to take advantage of the leverage provided by operating forward instead of rotationally deploying from the United States.

The operating account shortfalls created by the CR and sequestration compel us to reduce Facilities Sustainment, Renovation and Modernization by 50%, a \$1.16 billion reduction, and

Base Operating Support (BOS) by 10%, a \$495 million reduction. These reductions eliminate all work except that needed for safety and security, including:

- Defer all projects to improve the energy efficiency of our buildings
- Defer all projects to improve the condition of our Unaccompanied Housing
- Defer all facility repairs, except for emergency or safety repair work
- Defer all facility projects at our Public Shipyards, preventing Navy from meeting our mandated 6% minimum reinvestment target
- Defer all projects that demolish or consolidate facilities
- Defer corrective maintenance on firefighting trainers
- Defer overhauls for Oil Spill equipment, Harbor Security boats and Service craft

Impacts to Sailors, Civilians and Navy Families

Our people are the source of our warfighting capability. The CR and sequestration directly impact our Sailors, Civilians and their Families. There are intangible impacts on morale as budget uncertainty affects our operational tempo and training and maintenance schedules. The reduction of ready forces will put greater stress on the Sailors assigned to ships and squadrons currently deployed or soon to deploy. They will operate at a higher tempo; and we are already at an extraordinary operational tempo. While military compensation is exempt from sequestration, there is a cost to the force in having to do more.

As a result of the CR and sequestration, we are compelled to plan to furlough up to about 186,000 Navy Civilians for 22 days, resulting in a 20 percent pay reduction during the furlough period. We have also frozen the hiring of civilian workers and released 655 temporary and term

employees. These reductions will reduce the hours of operation and responsiveness of services such as medical care and personnel support.

In the Navy, we believe our most important quality of life efforts center on our Sailor and Family support programs. Experience shows that when we fail to resource these activities, our warfighting readiness suffers. I remain committed to making sure we provide for our Sailors, Civilians and their Families by funding our most important missions and deployments, and these Sailor and Family Support Programs.

Navy will limit to the greatest extent possible the impact the CR and sequestration on Sailor and Family support programs. Because these programs are staffed mostly by civilian employees, a furlough will affect their operating hours and responsiveness, but we are working to mitigate this impact, for example:

- Sexual Assault Prevention and Response (SAPR) – Stopping sexual assault is one of my top priorities. Therefore, Sexual Assault Response Coordinator (SARC) and Sexual Assault Prevention and Response Victim Advocate (SAPR VA) positions have been exempted from the civilian hiring freeze. As the FY12 National Defense Authorization Act directed, the Navy is on track to hire 66 SARCs and 66 SAPR Victim Advocates by the end of this fiscal year.
- Mental Health Care – Working with the Defense Health Program and TRICARE, I am committed to ensuring mental health quality care is not impacted by the CR and sequestration. Over the last few years, the Navy has placed greater emphasis and resources towards Mental Health Care for our Sailors and their Families. For example, since 2009, we have increased our clinical psychologists by 40%;

furthermore, the civilian firing freeze does not apply to hiring additional Mental Health Care providers.

- Transition Assistance Programs (TAP), Family Assistance Programs (FAP) and Relocation Assistance Programs (RAP) will be affected by civilian furloughs, impacting service levels in resource and counseling centers.
- Since 86% of our child care professionals are not affected by furloughs (they are paid with non-appropriated funds), we will manage staffing levels to minimize the Navy civilian furlough impact.
- Tuition Assistance will be preserved in FY13, to ensure current educational obligations are met. However, civilian furloughs may cause processing delays.

I have made clear my intent to protect to the extent possible Sailor and Family support programs to all my military and civilian leaders.

Longer-Term Effects: A Different Fleet and a Different Strategy

In addition to sequestration for FY13, the BCA also required the lowering of the discretionary caps for FY14 through FY21. Beyond FY13, if the discretionary cap reductions are sustained for the full nine years, we would fundamentally change the Navy as currently organized, trained and equipped. As time allows, we will take a deliberate and comprehensive approach to this reduction, based on a reevaluation of the Defense Strategic Guidance. In doing so, I will endeavor to: (1) ensure our people are properly resourced; (2) protect sufficient current readiness and warfighting capability; (3) sustain some ability to operate forward by continuing to forward base forces in Japan, Spain, Singapore and Bahrain, and by using rotational crews; and (4) maintain appropriate research and development.

Given a set of fiscal circumstances under sequestration and the corresponding reduction in discretionary budget caps from FY 2014-2021, our Navy will shrink. Depending on how you look at it, the battle force could be as many as 50 ships smaller than the numbers reflected in our most recent shipbuilding plans, or 30-40 ships fewer than our current battle force, including at least two carrier strike groups. We would be compelled to retire ships early and reduce procurement of new ships and aircraft. This would result in a requisite reduction in our end strength and changes in our support infrastructure ashore.

Reducing the Impact of Sequestration and the Continuing Resolution

We ask that Congress act quickly to replace sequestration with a coherent approach to deficit reduction that addresses our national security interests. Additionally, the Department needs the Congress to pass FY13 appropriations legislation that allows the department to allocate reductions in this fiscal year in a deliberate and coherent manner to sustain current operations while meeting current obligations.

I am honored to represent about 600,000 Sailors and Civilians serving their country in the United States Navy. We understand the importance of resolving our fiscal challenges. I look forward to working with the Congress to ensure our Navy will remain the world's preeminent maritime force while continuing to protect our nation's security and prosperity.

Mr. CULBERSON. Thank you very much, Admiral, for your testimony and your service.

General Amos. Look forward to hearing from you, sir. Thank you.

OPENING STATEMENT OF GENERAL AMOS

General AMOS. Chairman Culberson, Ranking Member Bishop and the committee, I am heartened by what I saw come across my computer yesterday afternoon and the likes of a draft NDA or a resolution to an NDA for a Department of Defense NDA, so thank you.

Thanks for your faithfulness, thanks for your willingness to understand where we are at the Department of Defense, as it relates to the security of our nation.

All my colleagues and I take that very, very seriously. We have testified three times to that.

This is more than just C.R.; this is more than sequestration. Quite honestly, the world is looking at us, as a nation, both our enemies and our friends, to determine which way we are going to go.

So thank you for that, and I look forward to hopefully a successful passing in the House and in the Senate as well.

I would like to thank this committee for its enduring commitment to our Marines, our sailors and our families. As a historically frugal service, for decades we have grown accustomed to substandard barracks and inadequate facilities.

However, in 2006, that began to change, as a result of the faithful support of Congress and this committee in particular.

Long overdue, it was time to raise the standard of living for our Marines. Thanks to your commitment, both single Marines and Marine families are enjoying the finest housing and facilities we have ever known.

During more than a decade of conflict, we have worked hard to ensure that the critical needs of our families and our single Marines are met during rigorous deployments as well as in garrison.

Providing the high-quality services, facilities and programs for our all-volunteer force, they have thrived, while facing the challenges of a rigorous operational tempo.

With the help of this committee, we have successfully constructed new barracks and family housing all across our Marine Corps.

We built wounded warrior housing and care complexes at Camp Lejeune and at Camp Pendleton, and improved the many facilities around our bases and our stations.

This has had an immediate affect on improving the quality of life of our Marines and their families around the world. But we are not finished.

For fiscal year 2013 we proposed a military construction effort with the following priorities: First, infrastructure development, replacement of inadequate facilities at our bases and our stations, construction of much-needed professional training and military education facilities, and, finally, aviation support facilities in support of our new aircraft.

Our military construction request has been adjusted to accurately reflect our planned downsizing to an end-strength of 182,000 by the end of fiscal year 2016, and it represents a 45 percent reduc-

tion from last year's fiscal year 2012 submission. As military construction funds likely become even more constrained and competitive, we will have to rely on the sound stewardship of existing facilities and infrastructure to support our needs.

However, with the continuing resolution and sequestration, all 37 of our planned fiscal year 2013 military construction projects are halted and unable to proceed.

The value of these projects equals \$716 million. These well-planned, critical projects fitting into those four categories that I mentioned before include key elements in our support for the president's strategy in the Pacific, to include relocation of an MV-22 squadron from Miramar to Hawaii, and support facilities for fueling the F-35 JSF in Japan.

Additionally, we have been forced to halt construction plans on hangars for the F-35 in Beaufort, South Carolina, as well as road improvements aboard our major installations designed to correct safety deficiencies. These projects are ready to begin today. Without fiscal year 2013 MILCON appropriations or the authorities for new starts, we are forced to defer to future years' budgets, causing a ripple effect which will no doubt significantly impact our modernization and our sustainment efforts.

At the heart of the matter, sequestration by its magnitude, its timing and its methodology will have a devastating impact on our nation's readiness, both short and long term.

Because of our unique role as America's crisis response force, Marines place a premium on maintaining a high state of readiness. I have done everything within my current authorities to preserve the tenets of a ready Marine Corps. I will continue to do so until I run out of money.

Under continuing resolution, I have kept deploying units ready, but only by stripping away the foundations of a long-term readiness for the total force.

While these near-term mitigations are possible, the enduring effect of these decisions puts the future health and readiness of the force at risk.

By the early part of next year, more than 50 percent of my tactical units will be below minimum acceptable levels of readiness for deployment in combat. This pattern inevitably leads to a hollow force. Its impact is already being felt under continuing resolution.

Additionally, as a result of sequestration, planned civilian furloughs will recklessly impact the lives of more than 19,000 civilian Marines, who face 20 percent pay cuts. They are an integral part of our Corps. They deserve better.

During our last three hearings, I have spoken about the combined effects of the existing continuing resolution and sequestration. These indiscriminate measures create unacceptable levels of risk to our national security, risk to our forces, risk to the American people, and risk to the United States of America.

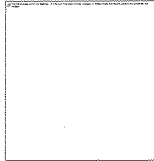
I urge the committee to consider the full range of these risks created by the Budget Control Act and the year-long continuing resolution. I ask for your assistance in mitigating them to the extent possible. And I thank you for your continued support of your Marine Corps.

I look forward to your questions.

Not public until released by the
House Subcommittee on Military Construction,
Veterans Affairs and Related Agencies
Committee on Appropriations

STATEMENT OF
GENERAL JAMES F. AMOS
COMMANDANT OF THE MARINE CORPS
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS
AND RELATED AGENCIES
ON
5 MARCH 2013

Not public until released by the
House Subcommittee on Military Construction,
Veterans Affairs and Related Agencies
Committee on Appropriations

General James F. Amos**Commandant of the Marine Corps**

On October 22, 2010 General James F. Amos assumed the duties of Commandant of the Marine Corps. General Amos was born in Wendell, Idaho and is a graduate of the University of Idaho. A Marine Aviator, General Amos has held command at all levels from Lieutenant Colonel to Lieutenant General.

General Amos' command tours have included: Marine Wing Support Squadron 173 from 1985-1986; Marine Fighter Attack Squadron 312 - a component of Carrier Air Wing 8 onboard USS Theodore Roosevelt (CVN-71) - from 1991-1993; Marine Aircraft Group 31 from 1996-1998; 3rd Marine Aircraft Wing in combat during Operations IRAQI FREEDOM I and II from 2002-2004; II Marine Expeditionary Force from 2004-2006; and Commanding General, Marine Corps Combat Development Command and Deputy Commandant, Combat Development and Integration from 2006 to July 2008. Additional operational tours have included Marine Fighter Attack Squadrons 212, 235, 232, and 122.

General Amos' staff assignments have included tours with Marine Aircraft Groups 15 and 31, the III Marine Amphibious Force, Training Squadron Seven, The Basic School, and with the MAGTF Staff Training Program. Additionally, he was assigned to NATO as Deputy Commander, Naval Striking Forces, Southern Europe, Naples Italy where he commanded NATO's Kosovo Verification Center, and later served as Chief of Staff, U.S. Joint Task Force Noble Anvil during the air campaign over Serbia. Transferred in 2000 to the Pentagon, he was assigned as Assistant Deputy Commandant for Aviation. Reassigned in December 2001, General Amos served as the Assistant Deputy Commandant for Plans, Policies and Operations, Headquarters, Marine Corps. From 2008-2010 General Amos was assigned as the 31st Assistant Commandant of the Marine Corps.

General Amos' personal decorations include the Navy Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit with Gold Star, Bronze Star, Meritorious Service Medal, Joint Service Commendation Medal, and the Navy and Marine Corps Achievement Medal.

Introduction

As a nation and as a department, we are entering difficult times. My fellow service chiefs and I are here to talk about the potential impacts of both the current continuing resolution (CR) and sequestration and the resulting fiscal impacts. We are here to talk about the challenges that have already presented themselves as a result of the CR, and the further disruptive impacts of pending sequestration. I think it is important, however, to start with some things that will not change. All Marines, including their Commandant, believe in the criticality of our role in the defense of our nation. Our Marines in the valleys of Afghanistan, afloat on amphibious ships, standing their posts at our embassies, and training for war at home... all remain at their posts. We are highly cognizant of the global stage upon which our collective actions will be scrutinized, and we share the concern of all that even the perception of a disruption of our nation's ability to protect its global interests will have strategic consequences.

As Commandant, I assure you that we will do everything in our power to ensure the continued security of the American people, to protect the global interests that underpin our prosperity; we will meet our responsibilities for rapid response to crisis wherever it may occur. Marines will be *always faithful* to the trust which the American people have vested in them. You have my pledge that I will do everything within my authorities to maintain that forward deployed and ready force, period. Already a lean organization, your Marines will continue to give you the best capability that can be squeezed from the resources you allocate for our nation's defense.

Resources and Readiness

Struggling under the CR funding levels for operating and investment accounts, which are much lower than the request, the prospect for even deeper reductions from sequestration in this fiscal year is alarming. There should be no misunderstanding; the combined effect of the continuing resolution and sequestration will have a significant effect on the global security climate, the perceptions of our enemies, and the confidence of our allies. In a *new normal* of brushfire instabilities, violent extremism, non-state threats and struggling sovereign entities, the role of the United States as a leader in the protection of the international order is central. The effects that our armed forces create in this global environment are measured in ready crisis response forces, ships at sea, planes in the air, partnerships on the ground and trust among our allies. In a word, our propensity to remain a global leader in a challenging world is measured in READINESS. Readiness is the aggregate of the investment in personnel, training, and equipment to ensure that units are prepared to perform missions at any given time. Our ability to project a ready force is measured by friend and foe alike. Their reactions, and the impacts on the international order upon which our prosperity and security depend, are a direct reflection of the readiness of our forces.

The linkage between resources and readiness is immediate and visible. While I think all can agree that defense resources must be highly scrutinized as our nation finds its fiscal footing, the scale and abrupt implementation of prospective resource changes have the potential for devastating impacts on readiness. This is not a temporary condition. Impacts on readiness have primary, secondary and tertiary effects. While the primary effects on short-term readiness will be observable immediately, the longer-term effects may be even more devastating. Under the continuing resolution at FY12 resource levels, I have already been forced to realign funds from longer term

activities within the O&M account to protect the short-term readiness of our combat deployed Marines, and those on the forward edge of our nation's ability to respond swiftly when crisis erupts. While these short term adaptations are possible, the short-term readiness of our current forces comes at the expense of those who will follow in their footsteps. In a sense, we are eating our 'seed corn' to feed current demands, leaving ever less to plant for the enduring security demands of the nation.

Without action from Congress to address the magnitude of defense resource changes, the abrupt nature of the imposition of reductions, and the severe inflexibility in their implementation, the nation will experience significantly degraded defense readiness. The strategic impacts will be immediate and global.

Marine Corps Readiness Degradation

The Defense Strategic Guidance remains a clear articulation of future threats, challenges, and opportunities - I continue to support its full implementation. In the event of an annualized CR, the Marine Corps faces a \$406 million reduction in its Operation and Maintenance budget relative to the President's FY 2013 Budget. This will create immediate challenges in maintenance, training, and base operations accounts. Given the looming specter of sequestration in addition to the CR, we face an extended period of severely constrained spending driven by rules that provide little flexibility to efficiently apply the mandated reductions. Analyzing and applying constrained resources requires decisions now; decisions that will have strategic impact.

By the will of the 82nd Congress, the Marine Corps is mandated to be the nation's expeditionary force in readiness. Having been dubbed "America's 911 Force," we are our nation's hedge against uncertainty... a national insurance policy of sorts. As such, deployed forces, and units in training alike, are poised to swiftly respond to crisis and disaster, giving immediate options for strategic decision-makers...all while buying time for the generation of the larger joint force. We mitigate the risk inherent in an uncertain world by being ready to respond to today's crisis – with today's force – today. Even when not deployed, Marine units are required to maintain higher levels of readiness, so they can deploy on short notice. "Tiered readiness," where resources from non-deployed units are paid-forward to ensure that deployed and next-to-deploy units have sufficient personnel, equipment, and training to accomplish their mission, is a recipe for a hollow force. Over time, tiered readiness leads to an unacceptable degradation in unit readiness. This is not compatible with the ethos, role, or missions of our nation's expeditionary force in readiness.

Our Marines on the forward edge of our nation's security remain my number one priority. The forces that currently support the Afghanistan mission, those engaged in countering terrorism globally, and those preparing to go, will receive the full support they need. This has my full attention. Protection of support services for our wounded warriors and their families also remains a high priority. Our focus on deployed forces, families, and our wounded warriors, comes at a cost. Under the continuing resolution, I have been forced to degrade activities necessary to the long-term readiness of the force, such as organizational and intermediate maintenance of equipment returning to theater, to ensure the full support to our most engaged units. For forces not deploying to Afghanistan, the fuel, ammunition, and other support necessary for training

will be reduced precluding our ability to provide fully trained individuals and ready units to meet emerging crises – ultimately impacting even the Amphibious Ready Group and our Marine Expeditionary Units. The looming specter of sequestration, if not addressed, amplifies this impact. To keep our Marines in the field, we are already being forced to reduce depot maintenance of our equipment, reduce our participation in training exercises, reduce equipment buys and curtail modernization programs. Despite the constrained funding resulting from the CR and sequestration, in the next six months we will be able to continue meeting Marine Corps deployed warfighting needs and the training of next-to-deploy forces. Between six and twelve months, however, we'll continue to decrement readiness accounts with ever increasing erosion of home station unit readiness and force modernization, and begin to show small impacts in next-to-deploy forces. Beyond 12 months we will see a real impact to all home station units (e.g. fixed wing squadrons will have on average only four of twelve assigned aircraft on the ramp due to aviation depot shutdowns) and the beginning of impacts to our next-to-deploy and some deployed forces – in all a slide to a hollow force we have fought so hard to avoid.

It is important to note that sequestration has significant impacts well beyond this current year. Viewing sequestration and its impact solely in FY13 abrogates our responsibility to ensure long-term readiness of the force. The Marine Corps manages the long-term health and readiness of the force by balancing resources across five broad pillars: high quality people, near-term unit readiness, capability and capacity to meet Combatant Commander requirements, infrastructure sustainment, and equipment modernization. Maintaining balance across all five of these pillars is critical to achieving and sustaining Marine Corps readiness. Actions we are being forced to take to ensure our short-term readiness (e.g. transferring facilities sustainment funding to support operations and equipment maintenance) are creating an imbalance across these pillars and will result in both near and far-term readiness shortfalls. The entirety of your Marine Corps' ground material modernization investment accounts for this FY contains only \$2.47 billion, comprising a mere 12% of our baseline budget. Due to our small numbers, further reductions in the ground investment accounts, although perhaps proportional to the other services, will have disproportional impact on Marine Corps readiness, especially as it pertains to limited essential modernization.

Marine Corps readiness is at a tipping point in the sense that our ability to rebalance funding from long-term investments to short-term readiness is becoming unsustainable. By the end of calendar year 2013, less than half of our ground units will be trained to the minimum readiness level required for deployment. The impact on our aviation units is not any better. Only two thirds of our aviation combat units will be at readiness levels required for overseas deployment; decreased readiness will compound in 2014 and beyond. In order to maintain our forward deployed "fight tonight" units at acceptable readiness levels, we will fall well below the minimum number of flight hours at home necessary to retain minimum safe flight standards and warfighting capabilities. We will have to reduce our Theater Security Cooperation and exercise support by 30% in the Asia Pacific region, opening the door to those who would gladly take our place in global leadership. In doing so, we will markedly limit bilateral and multi-lateral engagement opportunities, thus putting our credibility at risk with our allies and partners. The void left by our "actual absence," where we may be needed most, will be filled by somebody...some other nation or entity.

Containing the Damage

We have worked diligently to mitigate the effects of the CR, slowing the rate of expenditures across our accounts to ensure sufficient funding for the entire fiscal year and to better prepare for the potential effects of sequestration. Our task has been made more challenging by the ever increasing demand for Marines. A resumption of the Marine Unit Deployment Program in the Pacific has reestablished a key component of the nation's stabilizing presence in the Asia Pacific region. The establishment of a rotational presence of Marines in Darwin, Australia has already had a positive impact on the confidence of our allies and our ability to respond to crises in the South and Southeast Asian littoral. The planned ramp-up of Marine security forces for our embassies and consulates is a necessary artifact of the "new normal." Marines are in high demand to support the growth of special operations and cyber forces as well. Together, the increased requirement for Marines around the globe, combined with the reduced funding associated with an annualized CR, has created a Marine Corps funding shortfall of \$945 million in FY13.

To preserve the ability to operate throughout the entire fiscal year and prevent immediate reductions in depot workforce, cyber activities, base security, and ongoing training and exercises we reallocated second quarter fiscal resources from lesser priority funding. We have curtailed all but mission-essential travel and conferences. We have slowed expenditure rates below those required to maintain our current readiness levels, and have reduced depot funding and facilities sustainment, restoration and modernization spending. We have delayed major contracting actions until later in the fiscal year, where feasible, to give us a hedge against our worst-case fiscal scenario – CR and sequestration. Had we not taken these actions, we would have exhausted our operations and maintenance resources in early to mid-August with no way to pay for even our deploying and next-to-deploy forces' readiness.

As an example of our funding slow down, we are delaying obligation of MRAP support funding as we validate essential operational requirements. We reduced civilian personnel budget caps and allowed commanders to determine priority hiring within these reduced spending levels, even though they are still recovering from a previously instituted 14-month long Marine Corps wide hiring freeze in 2011 and 2012. This funding reduction reduced planned civilian personnel expenditures by \$38 million and will result in the Marine Corps being approximately 400 civilians short of our intended FY 13 civilian workforce end strength. Some essential programs at our bases and stations, such as our Wounded Warrior programs, will continue while other, less critical programs such as Tuition Assistance and Off Duty Education are reduced or eliminated as the resources necessary to maintain faith with our Marines and their families are used to fund readiness. While no decisions on furloughs have been made, we have published guidance across the Marine Corps to plan for reduction in temporary and term employees, and for potential furloughs of civilian personnel. The potential extensive and deleterious human and family effects associated with furloughing our civilian Marines are unthinkable, but in the event they are unavoidable, we must do prudent planning. Beyond the individual impact of furloughs to our civilian Marines, the impact on everything from readiness at Marine Special Operations Command, the readiness impacts at our Depots and our bases and stations, to the readiness impacts on our Wounded Warrior and family programs is significant. Our civilian Marines are not simply headquarters staff personnel in the Pentagon. Rather, 95% of our civilian workforce

comes to work every day outside the National Capitol Region and performs invaluable functions that keep our Marine Corps ready and contribute directly to our warfighting effectiveness.

Although barely sufficient to mitigate the immediate impacts of an annualized CR, these actions are in no way sufficient to cover the additional fiscal impact of sequestration in FY13. Sequestration is expected to impose nearly an additional billion dollars in resource reduction to the Marine Corps this year. This will drive irreversible readiness impacts, especially when viewed through a long-term lens. The inflexibility of sequestration and discretionary cap reductions in the Budget Control Act of 2011, if allowed to occur, would trigger cascading cuts in our operating budgets through 2021. Many initiatives will be unfunded or underfunded given our potential resourcing levels. Here are some specific examples of actions I will be forced to take due to the combined effects of the CR and sequestration:

- Reduce depot funding to 27% of the identified requirement, thus decreasing throughput of depot level maintenance for organizational equipment, and delaying our ability to reset war-torn equipment by eighteen months or more
- Park over eighty aircraft as depot maintenance schedules are stretched out
- Reduce support to theater geographic combatant commander requirements for shaping their theaters, responding to crisis and preventing conflict
- Reduce participation in multi-national training exercises, degrading one of the most effective investments in building partner nation capacity
- Degrade training for deploying units due to lack of fuel, equipment and spare parts
- Cut ammunition allocations for gunner certification and training
- Cut flight hours available for pilot proficiency, safety, and certification
- Reduce facility maintenance to 71% of the requirement
- Delay Marine Corps contributions to Joint special operations and cyber forces
- Further reduce an already thinned civilian workforce
- Severely curtail or extend acquisition programs
- Reduce organizational activities including recruiting, range-maintenance, family-housing maintenance and quality of life enhancements for military families
- Curtail safety and base security investments
- Cut educational investments in the human capital of our uniformed and civilian workforce
- Reprioritize an entire year of Military Construction projects into FY 14 and beyond. Given the current fiscal limitations, some could be delayed or deferred or may be cancelled. When reductions in facilities sustainment are compounded with the inability to execute our planned Military Construction program for FY 13, we are faced with a situation where we have severely impacted planned aviation unit lay-downs associated with the MV-22 and F-35B, as well as other critical projects at home and in the Pacific.
- Delay major procurement programs such as Ground/Air Task Oriented Radar, Joint Light Tactical Vehicle, and Amphibious Combat Vehicle resulting in the possibility of Nunn-McCurdy breaches, Initial Operational Capability delays, and increased unit and total program cost.
- Cancel major multi-year procurements such as the MV-22 and incur greater cost and program delay in future program buys

Congressional Action

I have identified the very real impacts of the CR and the potential further impacts of sequestration. Congress can take actions in three areas that can lessen the impact and hopefully make less draconian implementation of reductions to the defense program:

- Review the magnitude of the total Defense reductions over the ten years of sequestration and ensure the impacts to readiness and a sustainable national defense are well understood and strategically acceptable;
- Pass a FY 13 appropriation bill that ameliorates to the greatest extent possible the adverse impacts of the continuing resolution; and
- If a FY 13 appropriation bill is unachievable, enhance the ability of the Services to optimize continued readiness under the current resource caps by allowing for reallocation or re-baselining of funds in the annualized CR, and include the ability to execute critical multi-year procurements such as the MV-22 and provide for FY 13 military construction projects

As part of either a FY 13 appropriation or an annualized CR, it will be necessary to arrest extra inflationary personnel cost growth in order to maintain a balanced portfolio and a capable force. Recently, the Joint Chiefs of Staff offered a number of well-developed and thoughtful proposals to slow or reduce the growing cost of our personnel accounts. I urge you to review these proposed adjustments to pay raises, housing entitlements, tuition assistance and TRICARE premiums. We must consider these critical cost reducing actions in order to continue to meet the nation's defense requirements, take care of our people, and do so in a manner that retains the most ready, sustainable and capable all volunteer force we have had across the proud history of this nation.

Conclusion

Our actions to resource the defense of our national and global interests will have strategic consequences. Our foes, cunning and adaptive, watch carefully for any decline in American ability or willingness to lead in a partnered global order that supports the common good. The continued prosperity and security interests of our nation are dependent on resourcing long-term success.

While Congress and this committee carefully executes their responsibility to validate every taxpayer dollar they appropriate to our nation's defense, I can assure you that the Marine Corps will continue to uphold our share of this responsibility as a sacred trust. Our reputation as the "frugal force" comes from an ethos that values both high combat readiness, and careful stewardship. The Marine Corps will ask only for what it needs, not for what it wants. I am committed to building the most ready Marine Corps that the nation can afford. The current fiscal uncertainty and the implementation restriction of sequestration prevent realizing this commitment and threaten to force our retrenchment from those global issues and areas that are still of critical importance to America. Working together, we can map out a resource strategy that protects our global interests as a nation, keeps faith with our service-members, and provides the greatest value to the American people. I thank you for the opportunity to engage in this dialogue, for your service to our nation, and for your continued support to your Marines. Semper Fidelis.

Mr. CULBERSON. General Amos, thank you very much, sir.
General Welsh.

OPENING STATEMENT OF GENERAL WELSH

General WELSH. Thank you, Mr. Chairman, Ranking Member Bishop. It is a special privilege to be here today. Thank you for the honor of appearing before you. It is a special thrill for me to sit beside the gentleman to my left. I happen to be a fan of all of them.

Thank you for the efforts of this committee that you have already outlined this morning to move us forward from where we are today.

And thank you, Chairman Young, for the larger committee's efforts to do the same thing. All of us appreciate it deeply.

The Air Force story on sequestration is very similar to what you have already heard this morning. I tell you that it will significantly undermine your Air Force's readiness and responsiveness today. It will significantly impact our civilian workforce in the coming months. And eventually, it will clearly affect our future capability.

Throughout this period of budgetary uncertainty, the Air Force has taken care to minimize the disruption to Airmen and family support programs, while also protecting the distinctive air power capabilities that America expects of us. The arbitrary cuts of sequestration, along with the possibility of a year-long continuing resolution, which I hope is less of a possibility today, sacrifices many of the strategic advantages of air power and jeopardizes our ability to fulfill our role in executing the Nation's current defense strategic guidance.

For the Air Force, sequestration represents a \$12.4 billion topline budget reduction in fiscal year 2013, affecting, of course, every account and program. The fiscal year 2013 National Defense Authorization Act (NDAA) authorizes \$460 million for Air Force military construction. This figure is about \$900 million less than in fiscal year 2012 and reflects an intentional pause in military construction to ensure resource availability in other areas necessary to fulfill our role and support the strategic guidance.

So the MILCON projects we requested this year and that were authorized in the fiscal year 2013 NDAA represent only the most critical infrastructure improvements that we foresee. Besides enabling the delivery of air, space, and cyber capabilities for America, our installations contribute to the quality of life of our Airmen and their families, enhance force readiness through training and maintenance facilities, and facilitate modernization through bed-down and infrastructure improvements designed for new and emerging weapons systems.

Because our installations and infrastructure represent the foundation of these three areas, the consequences of sequestration and a year-long continuing resolution (C.R.) generate significant second- and third-order effects. For example, our Airmen and their families will experience delays to improvements for substandard dormitories and housing. Flight simulators and maintenance facility construction delays will magnify readiness degradations that are already unacceptable, and potential cancellation of bed-down facilities for Air Force's newest platforms can slow the fielding of those newer, more capable modernization efforts. The Air Force is long overdue for reconstitution following over two decades of war.

Our inventory still includes aircraft from the 1950s and our force is as small as it has ever been since we became an independent service. And now we find ourselves stuck in the unenviable trade-space between modernization and readiness, with infrastructure improvement delays and deferments amplifying the impacts to each, and we need your help to get out.

I urge you to do all that is necessary to pass an appropriations measure and to grant whatever flexibility is possible to mitigate the significant impact of the ongoing continuing resolution. This is clearly an unusual budget environment and unusual measures are worth considering this year.

Thank you again for allowing us to be here, and I look forward to your questions.

United States Air Force



Presentation

Before the House Appropriations
Committee, Subcommittee on Military
Construction and Veterans Affairs

Impacts of Sequestration and a Full-Year CR

Witness Statement of
General Mark A. Welsh III
Chief of Staff, United States Air Force

March 5, 2013



BIOGRAPHY



UNITED STATES AIR FORCE

GENERAL MARK A. WELSH III

Gen. Mark A. Welsh III is Chief of Staff of the U.S. Air Force, Washington, D.C. As Chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipping of 690,000 active-duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, the general and other service chiefs function as military advisers to the Secretary of Defense, National Security Council and the President.

General Welsh was born in San Antonio, Texas. He entered the Air Force in June 1976 as a graduate of the U.S. Air Force Academy. He has been assigned to numerous operational, command and staff positions. Prior to his current position, he was Commander, U.S. Air Forces in Europe.



EDUCATION

1976 Bachelor of Science degree, U.S. Air Force Academy, Colorado Springs, Colo.
 1984 Squadron Officer School, by correspondence
 1986 Air Command and Staff College, by correspondence
 1987 Master of Science degree in computer resource management, Webster University
 1988 Army Command and General Staff College, Fort Leavenworth, Kan.
 1990 Air War College, by correspondence
 1993 National War College, Fort Lesley J. McNair, Washington, D.C.
 1995 Fellow, Seminar XXI, Massachusetts Institute of Technology, Cambridge
 1998 Fellow, National Security Studies Program, Syracuse University and John Hopkins University, Syracuse, N.Y.
 1999 Fellow, Ukrainian Security Studies, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.
 2002 The General Manager Program, Harvard Business School, Harvard University, Cambridge, Mass.
 2009 Fellow, Pinnacle Course, National Defense University, Fort Lesley J. McNair, Washington, D.C.
 2009 Leadership at the Peak, Center for Creative Leadership, Colorado Springs, Colo.

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Impacts of Sequestration and a Year-Long CR

March 5, 2013

ASSIGNMENTS

1. August 1976 - July 1977, Student, undergraduate pilot training, Williams Air Force Base, Ariz.
2. July 1977- January 1981, T-37 Instructor Pilot and class commander, Williams AFB, Ariz.
3. January 1981 - May 1981, Student, fighter lead-in training, Holloman AFB, N.M.
4. May 1981 - August 1981, Student, A-10 training, Davis-Monthan AFB, Ariz.
5. August 1981 - May 1984, Instructor pilot, Flight Commander and wing standardization and evaluation Flight Examiner, 78th Tactical Fighter Squadron and 81st Tactical Fighter Wing, Royal Air Force Woodbridge, England
6. May 1984 - June 1987, Commander, Cadet Squadron 5, later, executive officer to the Commandant of Cadets, U.S. Air Force Academy, Colorado Springs, Colo.
7. June 1987 - June 1988, Student, Army Command and General Staff College, Fort Leavenworth, Kan.
8. June 1988 - October 1988, Student, F-16 conversion training, Luke AFB, Ariz.
9. October 1988 - July 1992, Operations Officer, 34th Tactical Fighter Squadron, later, Commander, 4th Tactical Fighter Squadron, Hill AFB, Utah
10. July 1992 - June 1993, Student, National War College, Fort Lesley J. McNair, Washington, D.C.
11. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C.
12. June 1995 - April 1997, Commander, 347th Operations Group, Moody AFB, Ga.
13. April 1997 - June 1998, Commander, 8th Fighter Wing, Kunsan Air Base, South Korea
14. June 1998 - June 1999, Commander, College of Aerospace Doctrine, Research and Education, Maxwell AFB, Ala.
15. June 1999 - September 2001, Commandant of Cadets and Commander, 34th Training Wing, U.S. Air Force Academy, Colorado Springs, Colo.
16. September 2001 - April 2003, Director of Plans and Programs, Headquarters U.S. Air Forces in Europe, Ramstein Air Base, Germany
17. April 2003 - June 2005, Director of Global Power Programs, Office of the Assistant Secretary of the Air Force for Acquisition, Headquarters U.S. Air Force, Washington, D.C.
18. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C.
19. July 2007 - August 2008, Vice Commander, Air Education and Training Command, Randolph AFB, Texas
20. August 2008 - December 2010, Associate Director of the Central Intelligence Agency for Military Support/Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C.
21. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base, Germany; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany
22. August 2012 - present, Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.

SUMMARY OF JOINT ASSIGNMENTS

1. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C., as a lieutenant colonel and a colonel
2. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C., as a major general
3. August 2008 - December 2010, Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C., as a major general and a lieutenant general
4. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany, as a general

Impacts of Sequestration and a Year-Long CR

March 5, 2013

FLIGHT INFORMATION

Rating: Command pilot

Flight hours: More than 3,300

Aircraft flown: F-16, A-10, T-37 and TG-7A

MAJOR AWARDS AND DECORATIONS

Defense Distinguished Service Medal with oak leaf cluster

Distinguished Service Medal with oak leaf cluster

Defense Superior Service Medal with oak leaf cluster

Legion of Merit with oak leaf cluster

Distinguished Flying Cross with oak leaf cluster

Meritorious Service Medal with two oak leaf clusters

Air Medal with oak leaf cluster

Aerial Achievement Medal

Joint Service Commendation Medal

Air Force Commendation Medal

EFFECTIVE DATES OF PROMOTION

Second Lieutenant June 2, 1976

First Lieutenant June 2, 1978

Captain June 2, 1980

Major May 1, 1985

Lieutenant Colonel June 1, 1989

Colonel Feb. 1, 1994

Brigadier General Aug. 1, 2000

Major General Aug. 1, 2003

Lieutenant General Dec. 9, 2008

General Dec. 13, 2010

(Current as of August 2012)

Impacts of Sequestration and a Year-Long CR

March 5, 2013

America's Air Force strives daily to be *The World's Greatest Air Force—Powered by Airmen, Fueled by Innovation*. However, the implications of sequestration continue to overshadow that vision, as well as the Department of Defense's efforts to organize, train, equip, and employ America's armed forces in the defense of our Nation, her allies, and her ideals. Designed as a forcing function to spur meaningful fiscal solutions for our country, sequestration has instead exerted incredible short- and long-term planning disruptions upon the military Services. It now threatens to carve crucial capability from America's military without thoughtful consideration of changes in the strategic environment, our Nation's defense strategy, or the conscious assumption of risk in the military instrument of national power.

Throughout this period of budgetary uncertainty, the Air Force has taken care to minimize disruption to Airmen and family support programs, while also protecting the distinctive capabilities of airpower—our enduring contributions—America expects. From air and space superiority—enabling joint and coalition forces to operate unhindered in the air domain while denying our adversaries the same—to global strike—holding any target on the planet at risk with either conventional or nuclear forces—to rapid global mobility, global intelligence, surveillance, and reconnaissance, and the command and control architecture to integrate full-spectrum joint military operations, the Nation expects her Air Force to provide and employ these enduring contributions from a position of continuing advantage over potential adversaries. The arbitrary cuts of sequestration, along with the possibility of a year-long continuing resolution, put every aspect of the Air Force's suite of capabilities at risk, and jeopardize our ability to fulfill our role in executing the Nation's Defense Strategic Guidance.

We face three separate, but interrelated budget mechanisms this month that taken together inject significant risk to our global operations. The sequestration order issued on March 1, 2013, along with a second sequestration due to a breach in the fiscal year 2013 discretionary caps scheduled for March 27, together with a budget shortfall in operating accounts to support emerging requirements in overseas contingency operations and a protracted continuing resolution, all combine to render us unable to continue our current level of operations.

For the United States Air Force, the effects of sequestration equate to a \$12.4 billion topline budget reduction, affecting every non-exempt account and program. Coupled with a potential year-long continuing resolution, and an estimated \$1.8 billion shortfall in overseas contingency operations funding due to higher than anticipated costs in theater, reductions of this magnitude have already driven disruptive actions in the near-term and promise devastating impacts over the long-term. The fiscal year 2013 National Defense Authorization Act (NDAA), authorizes \$460 million for Total Force Air Force military construction (MILCON).¹ This figure is

¹ \$460 million Total Force (Active, Reserve, and Air National Guard components) Air Force MILCON in the FY13 NDAA includes: \$324.3 million for 20 MILCON projects; \$25.5 million for MILCON planning and design; \$26.1 million for unspecified minor military construction; \$79.5 million for 3 Military Family Housing (MFH) MILCON projects; and \$4.3 million for MFH MILCON planning and design

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about \$900 million less than fiscal year 2012 MILCON enacted funding, and about \$66 million less than our fiscal year 2013 budget request, reflecting an intentional deliberate pause in military construction to ensure resource availability in other areas necessary to fulfill our role in support of the Defense Strategic Guidance. Thus, the MILCON projects authorized by the fiscal year 2013 NDAA represent only the most critical of infrastructure improvements.

The Air Force considers its installations “power projection platforms” from which we employ our enduring airpower contributions, increase responsiveness, and ensure global access. Besides enabling the delivery of air, space, and cyber capabilities for America, Air Force installations also (1) contribute to the quality of life of our Airmen and their families, (2) enhance force readiness through training and maintenance facilities, and (3) facilitate modernization through beddown and infrastructure improvements designed for newer weapon systems. As expressed in prior congressional testimony in February 2013, the budgetary limitations of sequestration and a year-long continuing resolution will significantly disrupt the Air Force civilian workforce, undermine the Air Force’s readiness and responsiveness, delay necessary infrastructure improvements today, and—by hobbling modernization efforts—mortgage the Air Force’s future health for years to come. Because Air Force installations and infrastructure represent the foundation—literally—of Air Force personnel quality-of-life, force readiness, and beddown of recent modernization efforts, the consequences of sequestration and a year-long continuing resolution in this area generate significant second- and third-order effects throughout the others.

People

Beyond the civilian hiring freeze already in effect, and the strong likelihood of civilian furloughs starting in April 2013, sequestration and a year-long continuing resolution will also adversely affect Air Force Airmen and their families by delaying or cancelling several military housing and dormitory projects. Airmen are the Air Force’s greatest asset, and their recruitment, quality-of-life, and retention are some of my highest priorities. By delaying or cancelling critical military housing and dormitory improvement projects that were specifically retained in a dramatically-reduced MILCON budget request, we risk breaking faith with hundreds of unaccompanied Airmen and young Air Force families eager to begin their service in America’s military under the best conditions we can afford to provide.

Sequestration will reduce the military family housing portion of the fiscal year 2013 Air Force MILCON budget from \$79.5 million to approximately \$72.3 million.² Ongoing improvements to housing units and supporting infrastructure at Misawa AB and Kadena AB, both in Japan, may be delayed if we are unable to redistribute funds to execute the projects, or if we are unable to reduce the scope of the projects commensurate with the cuts exacted by sequestration. Additionally, due to the lack of “new start” authority under the continuing

² Figure does not include \$4.3 million for MFH MILCON planning and design

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resolution, dormitory improvements at Joint Base San Antonio-Lackland, Texas, and Thule AB, Greenland are at risk of cancellation. At Thule AB, the current dormitory is an inadequate and inefficient 58-year old building—populated by our Airmen in a frozen, austere locale. Other projects included in our fiscal year 2013 Dormitory Focus Fund may also see delays, affecting 1,195 dorm rooms across nine installations. Together, these potential delays and cancellations affect over 1,600 Airmen and their families, most at locations far from their extended families in America. Furthermore, before sequestration the Air Force was on track to eliminate approximately 5,700 of 9,500 inadequate housing units and 1,650 of 5,700 inadequate dormitory rooms by the end of fiscal year 2014, and to meet the Department of Defense goal of ensuring at least 90 percent of units are rated adequate as early as 2017. The effects of sequestration and the potential for a year-long continuing resolution will slow our ability to achieve that milestone on behalf of our Airmen and their families.

Readiness

Decreasing force structure and high operations tempo since 2001 have combined to increase stress on all the Services, and Air Force readiness levels have declined steadily since 2003. We have already been forced to put full-spectrum training on the back-burner to support the current fight, and now the arbitrary nature of sequestration threatens to put us even further into a readiness deficit. The Air Force's global range, speed, flexibility, and precise striking power are what make it one of America's premier asymmetric advantages. That strategic agility and responsiveness require a high state of readiness across the Total Force to meet the requirements of the Defense Strategic Guidance—the Air Force cannot execute the defense strategy from a tiered-readiness posture. Continuing to sacrifice Air Force readiness jeopardizes the many strategic advantages of airpower, and as the Service Chief charged with strengthening and advising on America's Air Force, I cannot stress strongly enough the devastating effects of remaining on that path.

Besides the negative impacts to Air Force readiness and mission preparedness through flying hour reductions, unit stand-downs, weapons system sustainment delays, and training disruptions that I expressed in congressional testimony last month, sequestration and a full-year continuing resolution will also harm Air Force readiness by jeopardizing flight simulator and maintenance facilities at several key installations. Weapons system sustainment delays will be exacerbated at Tyndall AFB, Florida, Holloman AFB, New Mexico, and Little Rock AFB, Arkansas, affecting the F-22, the MQ-9, and the C-130J. Maintenance facilities at all three locations could experience MILCON delays, including a low-observable coating facility for the F-22, that will slow or limit the fielding of key capabilities to combatant commanders downrange. Flight simulator installation and expansions slated for the C-130J at Little Rock AFB, Arkansas, as well as the C-130H at Niagara Falls Air Reserve Station, New York, and Cheyenne Air National Guard Base, Wyoming, may also be delayed, depriving aircrew of valuable training at a time when we need it most, and in an environment of reduced flying hours. The Air Force would also have to pay to store the simulators during any facility construction delays. All of these

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impacts from sequestration and a full-year continuing resolution negatively affect Air Force full spectrum readiness at a time when we have been striving to improve this critical area.

Modernization

Sequestration cuts to Air Force modernization investments, applied at the program, project, and activity level, impact every one of the Air Force's investment programs. Coupled with a year-long continuing resolution, sequestration disrupts weapon systems program strategies, cost, and schedules, creating significant impact across the Future Years Defense Program to programs like the F-35A, the KC-46, and efficient space procurement.

Infrastructure delays or cancellations from the effects of sequestration and a full-year continuing resolution can also affect Air Force modernization efforts. For example, the delay of MILCON F-35A hangars, munitions storage facilities, and flight simulators at Hill AFB, Utah, could delay the installation's ability to receive the aircraft on schedule. This delay will exert second-order effects into future year MILCON proposals, slipping F-35A beddown timelines accordingly. Similarly, an HC-130J personnel recovery simulator facility delay at Moody AFB, Georgia, would disrupt the maturation of a highly-sought, special operations niche capability for America's Joint military team. Furthermore, despite the high priority of the U.S. Strategic Command headquarters facility at Offutt AFB, Nebraska, construction of that vital command control node could also be delayed or disrupted by cutting its MILCON increment for fiscal year 2013. Any time delay of this \$564 million, four-year project could generate a stop-work action that at a minimum would drive costly workforce de-mobilizing and re-mobilizing efforts. All of these potential infrastructure delays disrupt the fielding of critical capabilities reflective of recent modernization expenditures; all are also potentially avoidable by averting sequestration, or by passing an appropriations measure for the current fiscal year.

Deferments

In addition to these impacts to fiscal year 2013 MILCON projects adversely affecting Air Force people, readiness, and modernization, the Air Force has already deferred all non-emergency facility sustainment, restoration, and modernization projects across its installations, amounting to a 50 percent reduction in annual spending in this area, or a 90 percent reduction in planned spending for the remainder of the fiscal year. These delays affect dozens of restoration, modernization, sustainment, and demolition projects at dozens of installations nationwide and overseas, including six airfield-specific projects such as runway or taxiway

repair.³ Although these actions are technically reversible should funding stabilize for the current fiscal year, they also magnify already-verified infrastructure risks, invite more costly repairs once conducted in the future, and bring economic hardship upon the civilian workforce in the affected communities.

Some of these deferments elevate operational risk by interrupting runway or nuclear enterprise sustainment, while others require us to maintain unneeded and energy-inefficient infrastructure—all will require additional future funding to rectify. Deferred repair generally costs much more than the expense of timely and preventive maintenance, and the necessity to retain unneeded infrastructure can add up to \$4 million per year in avoidable costs. To better position the Air Force to meet the many challenges of providing the effective airpower America expects, further base re-alignment and closure authority would generate significant infrastructure savings that might alleviate risk assumed in other areas. The Air Force supports the Department of Defense's position of the need for additional BRAC actions. Projected energy consumption savings of \$23.7 million will also not be realized due to disruptions of the \$157 million fiscal year 2013 Air Force Facility Energy Program. Relative to the nuclear enterprise, pushing off identified infrastructure improvements will also elevate risk to intercontinental ballistic missile payload transporters and transporter erectors due to failing pavements and inadequate fire detection and suppression systems. Missile silos will remain overly-vulnerable to water intrusion, and weapons storage areas will continue to function with antiquated security systems. Delayed infrastructure improvements like these only worsen should we continue to operate under a continuing resolution—military construction requirements totaling \$460 million scheduled for fiscal year 2013, many highlighted in this testimony, will not begin.

Considerations for the Future

None of the actions the Air Force has taken in anticipation of sequestration have been easy, but the actions now necessary as it has become a reality will be devastating. The combined effects of sequestration and a year-long continuing resolution will generate substantial risk throughout Air Force personnel, readiness, and modernization programs, some as a direct result of installation and infrastructure MILCON delays or project cancellations. Sequestration could also deplete the contingency funds associated with each project of the Air Force MILCON program, severely restricting our flexibility to respond to emergent infrastructure requirements such as storm damage. These collective effects will inhibit the Air Force's ability

³ 93 restoration and modernization projects at 52 installations nation-wide and overseas, 14 sustainment projects at 12 installations, and 82 demolition efforts across 39 locations have been delayed. Twelve dormitory upgrade and repair projects affecting 1,195 dorm rooms for Airmen at nine installations are also delayed, as are 220 energy focus fund projects at 70 installations, as well as some installation moves toward utility privatization and automated metering.

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to fulfill its role within the current Defense Strategic Guidance, as well as exert painful, palpable, and ultimately pricey disruptions to each of these areas.

To avert some of the infrastructure and installation impacts as a result of sequestration and a full-year continuing resolution, congressional support for reprogramming actions would be necessary. The ability to re-align funds in a prioritized manner would enable the Air Force to preserve those projects most beneficial to lessening the widespread degradation to Airmen and family quality-of-life, readiness, and modernization efforts sequestration will soon produce. Without reprogramming, the Air Force will continue to defer MILCON projects in a prioritized fashion to the maximum extent, and only cancel programs as a last resort. Regardless, the Air Force will continue to scrutinize carefully the expenditure of every taxpayer dollar, and we will strive to find additional efficiencies, right-size every installation, and derive a smaller, more agile force while still preserving quality in order to provide the airpower America expects.

At a time when the Air Force is long-overdue for vital reconstitution following two decades of war, our inventory relies upon hundreds of aircraft as old as I am, and our force is at its smallest since its inception. Sequestration forces us into the untenable trade space of accepting further risk to our Nation's defense by sacrificing key elements of the effective provision of airpower—people, readiness, modernization, and their foundational infrastructure.

The absence of a fiscal year 2013 defense appropriations act thrusts each military Service into a planning purgatory of sorts, clouding near- and long-term fiscal programming with a fog of ambiguity that limits our collective ability to organize, train, and equip our forces to counter future threats to our Nation, her allies, and her interests. I urge Congress to do all that is necessary to pass an appropriations measure for the current fiscal year that considers our requirements and priorities. I ask you to support our efforts to re-align funds to our highest priorities, and to provide relief from other restrictions that limit our ability to mitigate the significant impact of the ongoing continuing resolution. We recognize that no amount of flexibility will substantively mitigate the damaging effects of sequestration. We owe it to America's sons and daughters, who put their lives on the line whenever and wherever their Nation asks, to care for them and their families, provide them with sufficient training, and equip them to a position of advantage over all potential adversaries.

Mr. CULBERSON. General Welsh, thank you.

And again, thanks to each and every one of you for your service to the country. And as I start off this round of questioning, I think, General Amos, you hit it at, I think you made the critical point that Marine Corps readiness is at a tipping point. I know each and every one of you feel the same way.

The concern that you have expressed today in your testimony about the effect of sequestration or these cuts on the readiness of the Air Force, the Marine Corps, the Navy and our Army are deeply concerning to each one of us. And we want to make sure as a committee of the Congress that the armed forces of the United States have everything you need and we are certainly going to do everything in our power to minimize the effect of these cuts in this tough budget environment on the services.

And you see that in the determination of the Congress. The House is about to pass a continuing resolution with a complete military construction-V.A. bill and a complete Department of Defense appropriations bill. And the bill that we are about to pass is, the overall bill will total about \$1.0343 trillion and meets the separate security and non-security Budget Control Act caps.

But it does, of course, include a provision that sequestration will take effect, but that will be, the sequestration cuts will be on the funding levels for fiscal year 2013, which will, I think, minimize the impact on the services.

The bill does freeze, the bill we will pass tomorrow or this week in the House, will freeze federal employee pay for fiscal year 2013. And the bill also ensures that the Department of Defense is funded at the correct levels and in the appropriate accounts for fiscal year 2013. And while the Department of Defense will obviously have to, still have to absorb the sequestration cuts, again having those funding, having the funding in the correct accounts for 2013 certainly helps.

The Department of Defense will also have new start authority for military construction and we know how important that is, as you have each indicated in your testimony. And the Department of Veterans Affairs, of course, is exempted from sequestration, but we will have an appropriations bill for 2013, so that allows the V.A. to continue their work to reduce the time that they have, the backlog of claims, and the difficulty they have had in handling the tremendous number of claims.

But I know the concerns of the committee and the Congress is that the readiness of all our forces could be at a tipping point. We are very concerned about that. I would like to ask, if I could, each one of you to briefly for the record reiterate how critical it is that Congress pass this C.R. with the Department of Defense, MILCON and V.A. bills funded at the appropriate levels for 2013. How important is that for each one of the services?

General Odierno.

BUDGET IMPACT UNDER A CONTINUING RESOLUTION WITH SEQUESTRATION

General ODIERNO. Thank you, Chairman. First, for us, I believe we are at a significant point where the impacts to our readiness will impact everything that we do for the next 2 to 2.5, 3 years if

we don't make these decisions. We have already begun to cancel our combat training center rotations, which is the culminating event of our readiness for our brigade combat teams. We are going to have to reduce all training by, to the units that are not in Afghanistan, about 80 percent of the Army. We are going to have to almost eliminate a significant amount of training.

We now believe up to between 37,000 and 50,000 flying hours will have to be reduced, which means about 750 pilots will now go untrained. That will take us 2 to 3 years to catch up on that readiness level. So it is a combination of all of these things, as well as the impact on our installations, as well as the impact on our family programs that hits at the heart of Army readiness.

And I remind everyone that as we sit here today, I still have nearly 60,000 soldiers deployed in Afghanistan and another 21,000 deployed in other places in the Middle East.

C.R. WITH NO DOD BILL

Mr. CULBERSON. These changes you are describing, that is assuming we had a C.R. with no DOD bill?

General ODIERNO. So, what I described to you is a combination of the continuing resolution if we do not have a bill, of sequestration, and a shortfall that we currently have in our OCO funds.

Mr. CULBERSON. Sequestration at the 2012 level, because we are going to get, of course, a bill at 2013 levels and the cuts that we would see with the sequestration would be at the, on the 2013 level. That will minimize or mitigate to a certain extent—

General ODIERNO. That will help mitigate some of the problems.

Mr. CULBERSON. Yes, sir, mitigate some of the problems.

General ODIERNO. That is right.

Mr. CULBERSON. So it is, in your opinion, then, critical that we do a C.R.

General ODIERNO. Absolutely critical that we do it. It mitigates—

Mr. CULBERSON. That is what I am looking for.

General ODIERNO. It mitigates at least one-third of our problem.

Mr. CULBERSON. There you go.

General ODIERNO. It also, depending on what it does for OCO, could help us on the OCO shortfall we have as well.

EFFECTS OF PASSAGE OF APPROPRIATIONS BILL

Mr. CULBERSON. Thank you.

That is what really the thrust of my question is, the effect. How does the passage of the 2013 appropriations bill with DOD and MILCON mitigate the effect of what would have otherwise been just a straight C.R. with sequestration. You say it mitigates about a third.

General ODIERNO. Right.

Mr. CULBERSON. That is the impact. Yes, sir. Thank you.

Admiral Greenert.

Admiral GREENERT. Well, for us, it is almost night and day, Chairman, because right now, I am \$8.6 billion, when you take the two, sequestration and continuing resolution, out of balance in my operations account. You eliminate \$4.6 billion of that imbalance right off the bat. And what that means in simple terms, today we

are able to put one carrier strike group and one amphibious ready group forward, and pretty much, not much in the other theaters of the world.

With a bill, what we can do is we can restore, if you will, the global force management allocation plan, the vast majority. We can get back to the covenant that we have with the combatant commanders to get almost all of that back. So we get the get-back, if you will. We get two carrier overhauls. We get a carrier new construction. We get—new construction. We get all the military construction.

We don't have any of this right now. So, all of that comes back. And of course, all the installation readiness, excuse me, renovation and modernization, which we have none of now because we have had to put it off to pay for this imbalance.

Mr. CULBERSON. So it is night and day, night and day.

Admiral GREENERT [continuing]. Yes, sir.

LAUNCHING TWO "VIRGINIA" CLASS SUBMARINES

Mr. CULBERSON. I also want to ask, if I could, Admiral Greenert, very quickly on something near and dear to my heart, and I know that as members of Congress, we appreciate seeing the Dolphins there, sir. We get this bill done, you know, that funds you at 2013 levels as needed, with the support of the chairman and I know the subcommittee and the full Armed Services Committee.

Will you be able to build and launch two *Virginia* Class submarines a year, that are so vital to our strategic security with the Chinese launching 10 top-of-the-line, state-of-the-art submarines a year?

Admiral GREENERT. Well, Chairman, I can't today tell you, "Yes, I can." But I tell you, without your help, I can't. What this bill provides for us is the advance procurement, the multi-year procurement authority that we would have. Now, what we will need—what we need is the ability to use incremental funding to get that second submarine. And then it is over to us to look into our 2014 bill, balancing with sequestration and the other requirements, to come up with the remainder of that money.

And as we brought to the committee when we brought you our 2013 bill, that is something we very much want to do and that would be a priority for me. I would do the very best I could.

Mr. CULBERSON. Thank you, sir.

And I know the committee will support you in that, and I certainly want to encourage Chairman Young and our subcommittee. I will do everything I can to help make sure that the Navy gets everything you need to make sure we are continuing to build and launch at least two *Virginia* Class subs here and continue to design the *Ohio* replacement.

Admiral GREENERT. Thank you, Chairman.

Mr. CULBERSON. And I want to also compliment the Navy and the Marine Corps, and I know the Army and the Air Force are not far behind, but it is my understanding that, you know, over the years all of us as members of Congress, we learned that it is not, in the past, it has not been possible for example, PriceWaterhouse or an outside auditor to audit the Defense Department because

over the years, the, just the way your accounts have developed over time, that there is sort of a little, I guess, tangled up.

But I understand that Navy and the Marine Corps are the first two branches of the services to adopt generally accepted accounting procedures so that Navy and Marine Corps are now in a position that an outside independent auditor, PriceWaterhouse, could actually come in and audit the Navy and the Marine Corps in the same way they would, you know, ExxonMobil or a private entity. And that is a great tribute to you and certainly a great help to the Congress as we do everything we can to make sure that our constituents' hard-earned tax dollars are spent right where they need to be.

And I compliment you for that, sir. And thank you, and I know the Air Force and the Army is not far behind.

PASSING OF A COMPLETE DOD APPROPRIATIONS BILL

General Amos, could you talk to us about the difference, the importance of the passing of a complete DOD appropriations bill and a MILCON bill along with that C.R.? How important is that to the Marine Corps?

General AMOS. Sir, I would be happy to.

But on the audit business, a week ago while we were in testimony in front of the Appropriations Committee, we were getting our final grade from 2 years' worth of auditing. I think DOD started with us because we are the smaller service, so it is a little bit easier.

But 2 years of going through that to learn the lessons that can be passed on to the other services. We finished that last week. And, to the best of my knowledge, we came out the other end of it okay.

Mr. CULBERSON. Congratulations. Thank you.

General AMOS. Thank you.

Chairman, here are some facts. Some of these I have already talked a little bit about in my opening statement, but without funding it for this year, just this year in C.R., without restoring operations and maintenance, and that is really where, operations and maintenance, military construction, and the ability to get some multi-year contracts underway are really the impacts that you are going to, you will solve with the House and the Senate, if they pass this new appropriation or the new bill.

Greater than 55 percent of our non-deployed ground units and 50 percent of our non-deployed aviation squadrons will be C-3 or less by mid-year of next year. But this is not done. This is a function of training dollars, flight hours, 39,000 flight hours are going to be taken out of the Marine Corps. That may not sound a lot for my sister services that have a larger fleet, but for us, that is significant. That means, effectively, our pilots are going to be flying about 10 hours a month.

When you get historically, we have become pretty adept at figuring out how many hours a month a pilot has to fly to maintain a sense of currency that plays to safety records. It is typically right around 15 to 17 hours a month. We are going to be done to about 10 hours a month.

CLOSING AVIATION DEPOT MAINTENANCE

We are going to close aviation depot maintenance in the third and fourth quarter of this year, if this thing isn't done. If C.R., because they get funded by operations and maintenance. That is how we pay for the personnel. So those will be closed. And, for us, what that means is, there will be no more airplanes going in the front door of the depots. There will still be some work going on inside our aviation depots, but nothing more will come in.

Half of my F-18 fleet, my 254 F-18s, half of them will either be stuck in depot or stuck outside the garage door waiting to get into depot. And my sense is, although it is hard for me to tell, but I have been flying for 42 years and managing this, so this is, my instincts are, we will never catch up. In other words, the airplanes are old enough now where it takes so much to extend their service-life and get them out the back door, our F-18s, that we may very well never catch up with the amount of depot maintenances required to get the fleet back up to flying status.

And by the way, when we do that, that means all our forward-deployed squadrons will have the standard compliment. If they are on a carrier, they will have 10 airplanes per squadron. If they are ashore in-country, like our 3-4 deployed squadrons, and the one we have in the Persian Gulf, they will have 12. All the rest of the squadrons back home will average between four and six airplanes. That is in a squadron. That is all we will have because there won't be anything else available.

REDUCING THEATER SECURITY COOPERATION

We are going to reduce our theater security cooperation. In other words, the stuff we do in the Pacific, by 30 percent, we are going to cancel what we do in SOUTHCOM, down Central America and southern command this year. We are going to cancel it completely. And we will cancel most of what we do in NORTHCOM.

FUNDING FACILITIES

Facilities' sustainment, we fund, we typically budget in the Marine Corps because those great facilities you bought us, we fund for 90 percent of the requirement. In other words, if it takes a dollar to maintain a facility, we fund, we budget 90 cents. We are going down to 71 cents with C.R. And if sequestration and C.R. combine, we are going down to 67 cents on the dollar, which means we are going to have a harder time maintaining those great facilities.

The reduced depot maintenance for Albany and Barstow for us will go down to 27 percent of the requirement. In other words, if I have a 100 vehicles, I have got to get through Albany, under C.R., I am only going to be able to get through 27 of them under C.R. And that is operations and maintenance funds.

MOVING THE MONEY AROUND

So I already said that I have moved money around. Here is the money I have moved around this year. We are about \$1 billion short of operations and maintenance money, this year alone. I moved \$450 million underneath, you know, various pookas that I have in the Marine Corps—\$450 million this year. I have put \$280

million back out to the operating forces so that those forces, getting ready to deploy, will be ready to go to combat, which is what I promised you I would do.

I put \$112 million in Albany and Barstow into the operational, my operations and maintenance funds, put them in there so that we could maintain the contractor and temporary and term workforce that we have. We will keep those workers on. There are 845 of them between the two facilities until one May. And then after one May, I am going to have to let the contractors and term employees go, and then the rest of my employees fall under the sequestration.

Mr. BISHOP. Sir, are you saying that, excuse me, are you saying that is with or without the C.R.?

General AMOS. No, this is without the C.R.

Mr. BISHOP. Without the C.R.

General AMOS. Right now, I have, the money that I moved in there will sustain, I did that to keep the workforce whole so we could get the vehicles through. I have got something like 45,000 principal endliners we brought in from Afghanistan. A lot of it is sitting on the shelf out there ready to start through the depot.

So we have done that. And lastly, Mr. Chairman, they, a budget this year will allow me to get a B-22 on a my last multi-year contract, the very last one for that wonderful airplane. And, by doing that, it will save \$1 billion. In other words, if I have to buy these things one at a time, instead of a multi-year, it will cost, at the end of the day, several years from now, it will cost the federal government \$1 billion.

And then, lastly, I have already talked about the \$761 million in military construction. And I need to get going. I need to finish these things and the 37 projects.

Mr. CULBERSON. General Welsh, I will recognize my good friend from Georgia, Mr. Bishop.

Mr. BISHOP. General Welsh, what is the difference between passing a complete DOD bill and MILCON versus the C.R. to the Air Force?

General WELSH. Yes sir, well it is huge, as you know. Flexibility and reprogramming capability to use their own unobligated funds to mitigate the impacts of sequester on those projects that we either have under way or will begin—the ability to use those unobligated funds against emergencies that actually occur, as opposed to throwing them at a problem by requesting reprogramming authority without a bill.

In a big way, it allows us to look at our civilian workforce and figure out a way around this idea of furloughing in the Air Force, 180,000 great civilian Airmen. We want no part of that. And this would give us the ability to look at it. Of course, the C.R. kills us in the military construction (MILCON) project side. The new starts, we have 19, which are significant to us, as I mentioned, because we cut it down to what we thought was the bare minimum.

And the final thing is in many of our acquisition programs, the multi-year authorities, the quantity increases, the ability to mitigate the impact of sequestration on those programs by reprogramming across account lines. Just having the ability to request that authority. It is significant for us. It is a huge change.

Mr. CULBERSON. Thank you.

I recognize, again, my good friend from Georgia.

Mr. BISHOP. Thank you very much.

Let me, again, thank you, gentlemen, for what you do. And it is good news to hear that the C.R. will help mitigate the challenges that all of you face, and that is a good thing.

ARMY PROGRAMMATIC ENVIRONMENTAL ASSESSMENT

Let me look a little bit more provincial. General Odierno, I want to talk a little bit about the Army Programmatic Environmental Assessment, which goes with the challenge that you face. The 2005 BRAC moved the Army center down to Fort Benning, and the committee was very supportive of the Army in that endeavor. We spent almost \$3.5 billion in infrastructure improvements and the expansion of training areas.

On top of those improvements, the state and local governments made significant investments, such as \$57 million for an interchange into Fort Benning on Interstate I-85, the passage of an education special purpose local option sales tax to raise \$223 million to provide additional schools for children of soldiers and civilian personnel and defense contractors.

I noticed that the decisions that you have on force restructure are very difficult. But I worry that all of these investments that have been made on behalf of the Army at Fort Benning would all be for naught if our third brigade, 3rd Infantry Division were to leave, which would remove 17,815 soldiers and dependents with them.

How are you taking into account these investments in your decision-making process in the PEA, and how will sequestration affect this process? Because, obviously, building new facilities might become very difficult in the future.

FORCE STRUCTURE REDUCTION

General ODIERNO. Well first, Congressman, the impact you are talking about is just from the original Defense cuts based on the Budget Control Act of the \$487 billion, where the Army is reducing the active component by about 80,000, which translates into about 60,000 worth of force structure.

In 2012 and 2013 we took about \$12,000 out of Europe. We have done that already. We will finish that up this year and the beginning of next year. And then we will move to reducing our structure in the United States in order to meet the requirements that we have.

PROGRAMMATIC ENVIRONMENTAL ASSESSMENT

As we have put out now, the Programmatic Environmental Assessment, we are now getting feedback from the installation. But the criteria we are going to use will be a couple of things. It will talk about the facilities. It will talk about training space. It will talk about housing. It will talk about all the things that we look at. And we will categorize all of those things and do an evaluation of every installation. Then after that, we will make decisions on

where we decide to take further reductions that we are going to be forced to take based on the Budget Control Act.

With sequestration, you can basically double that number. And in fact, it will now double, probably, it will be about the same amount of—in structure out of the active component, probably another \$60,000 or so out of the active component, 50,000 to 60,000. And now we will have to start reducing force structure in the National Guard and the U.S. Army Reserve, as well, which we had not taken out of, based on the first reduction from the Budget Control Act.

So it will be a significant reduction in over the next 7, 8, 9 years, in Army capacity, in all of our installations as we move forward.

Mr. BISHOP. Construction-wise, you put a lot of investment in the infrastructure. Staying with the PEA, in the PEA you describe two alternatives to the 2020 forced restructure. Under alternative two, you would actually add an additional maneuver battalion to each of the brigade combat teams, and if sequestration were to go into effect, would you still be able to choose alternative two?

FORCE STRUCTURE REORGANIZATION

General ODIERNO. We would if we decide to do that. And because under that course of action, what we are able to do is we add battalions to the brigade, but we start to eliminate the number of brigades. So what we are able to do is get rid of some overhead, but sustain more combat capability by putting in an additional maneuver battalion under the brigades.

And there are some other things that we have identified over the last 10 years, such as engineers and some other shortfalls that we have in our brigades. So our brigades would get larger, but there would be less of them, and it would be more, and it, what the course of action looks at, is potentially a more efficient way of sustaining some of our combat capabilities.

Mr. BISHOP. So that would result in inactivation of some other battalions—

General ODIERNO. Yes, really, brigade headquarters, because the—and some maneuver battalions. But, again, it would add maneuver battalions to the brigades, as well.

Mr. BISHOP. So if that takes place, what are you going to do with the facilities, the infrastructure that we have—

General ODIERNO. Well, again, the assessment we will do will maximize the use of the facilities that are available across the Army. Because of this committee, the increase in the capacity and capability of our facilities on many of our installations is very good. So what we would do is we would maximize our best facilities as we go forward. That would be one of the criteria that we assess as we go forward.

Mr. BISHOP. Thank you.

Mr. CULBERSON. Thank you very much, Mr. Bishop.

Now my pleasure to introduce—to recognize our chairman, Bill Young, for any questions you may have, Mr. Chairman.

MILITARY CONSTRUCTION PROJECTS

Mr. YOUNG. Well, Mr. Chairman, thank you very much. And I do have one quick question. Are there any military construction

projects at some phase of construction or preparation for the construction or cleaning up after the construction, anything that is ongoing that would have to be stopped or changed if we don't get the C.R. issue settled and get the appropriations bill?

General AMOS. Mr. Chairman, the, we do, we have about \$1.2 billion right now of unobligated funds kind of carrying over from last year, and these are contracts that, some of which have started, some of which are waiting to start, but of that \$650 million, is in jeopardy. As a result, these are projects that we have already contracted out. These are projects that have follow-on monies that are required to finish the contract and whatever. So the answer is yes. I can get you the precise number of buildings, projects themselves, but for us, it is \$650 million.

The table below provides a list of awarded construction projects that could be impacted due to sequestration. A total of \$5.2B was authorized and appropriated by Congress for these projects in FY09-12. The awarded projects had an unobligated balance totaling \$650M, which is subject to sequestration. The \$650M unobligated amount is the Marine Corps' current estimate on how much funding is needed to complete these ongoing projects, either for construction change orders (unforeseen conditions or other matter discovered during construction) or follow on contracts. The following list only includes the FY09-FY12 projects that are 95% or less completed as of February 2013. It is assumed that projects greater than 95% complete would be less likely to need additional funds and would not be significantly impacted by sequestration.

	Installation	PNO	Project Title
11	MCAS Yuma, AZ	460	Aircraft Maintenance Hangar
11	MCAS Yuma, AZ	583	Communication Infrastructure Upgrade
11	MCAS Yuma, AZ	447A	Aircraft Maintenance Hangar
12	MCAS Yuma, AZ	535	Aircraft Maintenance Hangar
12	MCAS Yuma, AZ	545	Double Aircraft Maintenance Hangar
12	MCAS Yuma, AZ	575	Auxiliary Landing Field
12	MCLB Barstow, CA	925	Dip Tank Cleaning Facility
10	MCAS Camp Pendleton, CA	107	Aviation Transmitter/Receiver Site
11	MCAS Camp Pendleton, CA	109	CNAT/FRS Aviation Training and BEQ
11	MCAS Camp Pendleton, CA	111	MALS-39 Maintenance Hangar Expansion
12	MCAS Camp Pendleton, CA	114	MV-22 Double Hangar Replacement
12	MCAS Camp Pendleton, CA	116	MV-22 Aviation Pavement

09	MCB Camp Pendleton, CA	113	Water/Wastewater TDS Facility
09	MCB Camp Pendleton, CA	1008	Basic Recon Course and Barracks
10	MCB Camp Pendleton, CA	1012	Anglico Operations Complex
10	MCB Camp Pendleton, CA	1016	Recon Bn Operations Complex
10	MCB Camp Pendleton, CA	1033	Dining Facility
10	MCB Camp Pendleton, CA	1041	Expansion of SRTTP to 7.5 MGD
10	MCB Camp Pendleton, CA	1043	North Region Tertiary Plant
10	MCB Camp Pendleton, CA	1048	Gas/Electrical Upgrades
10	MCB Camp Pendleton, CA	1067	BEQ Las Flores
10	MCB Camp Pendleton, CA	1084	Enlisted Dining Facility
10	MCB Camp Pendleton, CA	1086	Recruit Barracks
10	MCB Camp Pendleton, CA	1093	Communications Upgrades
10	MCB Camp Pendleton, CA	1094	Electrical Distribution Upgrades
10	MCB Camp Pendleton, CA	159A	Operations Access Points
11	MCB Camp Pendleton, CA	310	Small Arms Magazine
11	MCB Camp Pendleton, CA	1014	Truck Co Operations Complex
11	MCB Camp Pendleton, CA	1044	Conveyance Water Treatment
11	MCB Camp Pendleton, CA	1109	BEQ Las Flores
11	MCB Camp Pendleton, CA	1113	BEQ 24 Area
11	MCB Camp Pendleton, CA	1200	Energy Initiative
11	MCB Camp Pendleton, CA	1043A	North Region Tertiary Plant
12	MCB Camp Pendleton, CA	532	Armory 1 st Marines
12	MCB Camp Pendleton, CA	1037	Equipment Issue Warehouse
12	MCB Camp Pendleton, CA	1040	Intersection, Bridge Improvements
12	MCB Camp Pendleton, CA	1045	New Potable Water Conveyance
09	MCAS Miramar, CA	180	In-Line Fueling Station Modification
10	MCAS Miramar, CA	178	Aircraft Parking Apron Modification
11	MCAS Miramar, CA	152	Parking Apron/Taxiway Expansion

11	MCAS Miramar, CA	185	Hangar 4 Addition
11	MCAS Miramar, CA	192	Aircraft Maintenance Hangar
10	MCAGCC 29 Palms, CA	114	Dining Facility
10	MCAGCC 29 Palms, CA	116	BEQ
10	MCAGCC 29 Palms, CA	121	Tracked Vehicle Maintenance Shop
10	MCAGCC 29 Palms, CA	126	Station Comm Facility and Infrastructure
10	MCAGCC 29 Palms, CA	128	Electrical Infrastructure Upgrades
10	MCAGCC 29 Palms, CA	130	Water Improvements and Storage Tank
10	MCAGCC 29 Palms, CA	170	BEQ
10	MCAGCC 29 Palms, CA (Bridgeport)	202	Commissary
11	MCAGCC 29 Palms, CA	163	BEQ
12	MCAGCC 29 Palms, CA	105	Tracked Vehicle Maintenance Facilities
12	MCAGCC 29 Palms, CA	177	Operational Fitness Area
12	MCAGCC 29 Palms, CA	212	Child Development Center
12	MCAGCC 29 Palms, CA (Bridgeport)	541	Multi-Purpose Building Addition
09	Lemoore, CA	020	Reserve Center
10	MCSF Blount Island, FL	006	Port Operations Facility
11	MCSF Blount Island, FL	005	Paint and Blast Facility
11	MCSF Blount Island, FL	012	Container Storage and Loading Lot
11	MCSF Blount Island, FL	017	Hardstand Extension
11	MCSF Blount Island, FL	022	Consolidated Warehouse Facility
11	MCSF Blount Island, FL	023	Washrack Expansion
11	MCSF Blount Island, FL	024	Container Storage Lot
10	MCLB Albany, GA	930	Hardstand Phase 1
10	NSA Anderdsen, Guam	100	North Ramp Utilities
10	NSA Andersen, Guam	101	North Ramp Parking
10	NAVBASE Guam	204	Apra Harbor Wharf Improvements

10	NAVBASE Guam	1003	Military Working Dog Facility
			Defense Access Roads
10	NAVBASE Guam	1006	Improvements
11	NAVBASE Guam	204A	Apra Harbor Wharf Improvements
			Physical Fitness Center Camp
11	MCB Hawaii, HI	006	Smith
11	MCB Hawaii, HI	816	Waterfront Operations Facility
11	MCB Hawaii, HI	858	BEQ
12	MCB Hawaii, HI	822	MCAS Operations Complex
11	MCAS Cherry Point, NC	136	BEQ
11	MCAS Cherry Point, NC	148	Missile Magazine
11	MCAS Cherry Point, NC	164	Mariners Bay Land Acquisition
11	MCAS Cherry Point, NC	176	Station Infrastructure Upgrades
			El-1 Helicopter Gearbox
12	MCAS Cherry Point, NC	991	Repair/Test Fac
09	MCB Camp Lejeune, NC	032	Infantry Platoon Battle Course
09	MCB Camp Lejeune, NC	1113	Child Development Center
09	MCB Camp Lejeune, NC	1357	Child Development Center
			Marine Resource and Recovery
09	MCB Camp Lejeune, NC	1378	Center
10	MCB Camp Lejeune, NC	1194	BEQ Wallace Creek
10	MCB Camp Lejeune, NC	1195	BEQ Wallace Creek
10	MCB Camp Lejeune, NC	1196	BEQ Wallace Creek
10	MCB Camp Lejeune, NC	1197	BEQ Wallace Creek
10	MCB Camp Lejeune, NC	1233	Maintenance/Operations Complex
10	MCB Camp Lejeune, NC	1247	BEQ Wallace Creek
10	MCB Camp Lejeune, NC	1266	Utility Expansion Courthouse Bay
10	MCB Camp Lejeune, NC	1268	SOI East Facilities
10	MCB Camp Lejeune, NC	1269	SOI Field Training Facility
10	MCB Can Lejeune, NC	1297	Infantry Bn Operations Complex
10	MCB Camp Lejeune, NC	1298	Wallace Creek Road Network

10	MCB Camp Lejeune, NC	1311	Consolidated Infotech/Telecom Complex
10	MCB Camp Lejeune, NC	1382	New Base Entry Point and Road
11	MCB Camp Lejeune, NC	004	Motor T/Comm Maintenance Fac
11	MCB Camp Lejeune, NC	10342 ¹¹	Intel Bn Ops Complex
11	MCB Camp Lejeune, NC	1240	Anglico Maintenance/Ops Complex
11	MCB Camp Lejeune, NC	1246	EOD Addition
11	MCB Camp Lejeune, NC	1249	BEQ Wallace Creek
11	MCB Camp Lejeune, NC	1251	BEQ Courthouse Bay
11	MCB Camp Lejeune, NC	1254	BEQ Courthouse Bay
11	MCB Camp Lejeune, NC	1264	Utility Expansion Hadnot Point
11	MCB Camp Lejeune, NC	1265	Utility Expansion French Creek
11	MCB Camp Lejeune, NC	1267	Mess Hall
11	MCB Camp Lejeune, NC	1286	BEQ Rifle Range
11	MCB Camp Lejeune, NC	1317	BEQ French Creek
11	MCB Camp Lejeune, NC	1319	BEQ Camp Johnson
11	MCB Camp Lejeune, NC	1322	BEQ Wallace Creek North
11	MCB Camp Lejeune, NC	1323	Armory Wallace Creek
12	MCB Camp Lejeune, NC	030	Squad Battle Course
12	MCB Camp Lejeune, NC	138	BEQ Wallace Creek
12	MCB Camp Lejeune, NC	1253	2" CEB Maintenance/Ops Complex
12	MCB Camp Lejeune, NC	1383	Base Entry Point and Road
12	MCB Camp Lejeune, NC	1425	Overhead Range Baffle System
10	MCAS New River, NC	311	Parallel Taxiway
10	MCAS New River, NC	652	Aircraft Maintenance Hangar
10	MCAS New River, NC	688	Apron Expansion
10	MCAS New River, NC	714	Gymnasium/Outdoor Pool
10	MCAS New River, NC	678X	Air Traffic Control Tower Extension

11	MCAS New River, NC	683	Aircraft Maintenance Hangar
11	MCAS New River, NC	687	Aircraft Maintenance Hangar
12	MCAS New River, NC	705	Aircraft Maintenance Hangar and Apron
12	MCAS New River, NC	710	Ordnance Loading Area Expansion
11	MCAS Beaufort, SC	444	Training and Simulator Facility
11	MCAS Beaufort, SC	454	Aircraft Maintenance Hangar
12	MCAS Beaufort, SC	442	Vertical Landing Pads
10	MCRD Parris Island, SC	360	Electrical Substation Upgrades
10	Goose Creek, SC	196	Reserve Vehicle Maintenance Facility
10	San Antonio, TX	105	Reserve Training Center
10	MCB Quantico, VA	548	TBS Student Dining Facility
10	MCB Quantico, VA	565	TBS Student Quarters
10	MCB Quantico, VA	614	South Mainside Electrical Substation
11	MCB Quantico, VA	541	MCU Research Center Addition
11	MCB Quantico, VA	566	TBS Student Quarters
11	MCB Quantico, VA	599	TBS Student Quarters
11	MCB Quantico, VA	615	SNCO Academic Facility Addition
12	MCB Quantico, VA	543	Wastewater Treatment Plant
12	MCB Quantico, VA	567	TBS Student Quarters
12	MCB Quantico, VA	571	Realign Purvis Rd/Russell Rd Intersection
12	MCAF Quantico, VA	611	BEQ
12	MCAF Quantico, VA	612	Dining Facility
12	MCB Quantico, VA	632	MCU Academic Instruction Facility
11	Yakima, WA	060	Reserve Center

General WELSH. Chairman, the increment two of the United States Strategic Command headquarters renovation project, that is not a new start this year, but if under the C.R., we would run out of money in July. And under the Federal Acquisition Regulation (FAR), the project would have to be terminated. Because we don't have a military construction veterans affairs appropriations bill yet, the \$120 million in this year's increment is not available to us. We have a major concern about that.

Admiral GREENERT. Without a bill, we can't start projects, but we have no projects in progress that would have to stop because of this.

BUDGET IMPACTS TO EUROPE BASE CLOSURE

General ODIERNO. Chairman, a little bit different take. We have a \$93 million shortfall which prevents us from closing our European bases that we have already identified in closing. So if we don't get that, we would have to delay that. What that means is, it is about \$112 million in savings we avoid and so we have in Weisbaden and that we would lose.

There is about \$66 million in base sustainment funds that we would lose. And then it could delay the inactivation of 5,000 soldiers if we are not able to relocate. So for us, that has a pretty significant impact as we move forward with reducing the size of our force in Europe. And so that is, that would be fixed, if we are able to get the appropriations bill.

Mr. YOUNG. Thank you all, and that is exactly what we have, what our plan is, to make that happen, so stick with us. Watch us this week, because I think we are going to have some additional progress.

Mr. Chairman, thank you very much.

Mr. CULBERSON. Thank you, Chairman Young.

We recognize our good friend Mr. Farr, from California.

Mr. FARR. Thank you very much, Mr. Chairman. I would like to recognize my fellow Carmel High School graduate, General Amos. From a small high school in California to up here on Capitol Hill today.

First of all, I want to thank you all for your great service to our country. I want to apologize for our institution. I have been here 20 years, and I have never seen it lead the nation into such epic confusion over the fiscal future of this country. And obviously, this dialogue for the last hour has shown that confusion.

We all represent constituents in our districts. I represent a district that has some great institutions, institutions which General Abizaid when he was the CENTCOM commander said that, without the Defense Language Institute and the Naval Postgraduate School, we could never learn to cross the cultural divide and America could never win the peace. Furthermore, he said these schools were national treasures.

SEQUESTRATION IMPACT UNDER A CONTINUING RESOLUTION

So my questions really are on the impact of not only sequestration, but also flexibility and reprogramming authority. And let me ask a question, Mr. Young, because I haven't really gotten the answer yet. Every one of the speakers today asked that we give them

flexibility in their cuts, and I know we are giving them money, but are we also giving them the flexibility that they have requested?

Mr. YOUNG. If you would yield, I would say yes. With a C.R., there is no flexibility, as the witnesses have testified here. What we will present does provide certain flexibility in the area of reprogramming, new starts, yes. The answer is there is some flexibility, maybe not as much as they would like, but there is flexibility in our plan that we are moving this week.

Mr. FARR. Thank you. I think that it is unfortunate, Mr. Chairman, that this is the only hearing we are going to have. I have never been full of more questions or more uncertainty, and the inability of our institution to have the hearings to really get to the bottom of what the impact is going to be. And, you know, we have the previous C.R. up until the end of the month. In the meantime, the hatchet dropped on sequestration, which means bigger cuts than were intended for the original C.R. and now we are going to have a second C.R. for the rest of the year. There are going to be impacts that we haven't worked through. It seems to me, we ought to have a lot more hearings to really understand the full impact and whether the flexibilities we are giving you are enough.

DEFENSE LANGUAGE INSTITUTE

Let me just ask some specific questions. Now, I am just wondering how the sequester in itself will affect the services in being able to send personnel to the Defense Language Institute and the Naval Postgraduate School. The sequester is going to affect training and operations and maintenance, but education is extremely important in the new operating environment. Do you have any idea what the impact will be at DLI and NPS?

General AMOS. Congressman, right now, we have a little over 183 students at the Naval Postgraduate School in Monterey. It is yet to be determined what, we are working through that now. It is not just Monterey. It is our resident schools we have at Quantico and around the Marine Corps. Those are funded by operations and maintenance funds. I mean, all our PME, professional military education, to include the postgraduate school, that is O&M.

So we are working through it right now. It is a 10 percent cut under sequestration, roughly 9 percent, as we go into this thing for O&M in these areas, of PME and all that. So there is going to be an impact. I can't tell you how much, 183 right now, I think we are planning on. We are hopeful we get to maintain that.

Our numbers at DLI are going down some from what we currently have, and the reason for that is the downsizing of the force. You know, we use FAOs and Foreign Area officers and ancillary officers and language experts, cultural experts. So by virtue of the downsizing of the Marine Corps, our DLI requirement will go down.

Mr. FARR. Even with the new increase you are getting, the O&M offset in the new C.R. that we will be passing this week, with a \$10 billion increase?

General AMOS. Sir, that—

Mr. FARR. Will that mitigate some of these—

General AMOS. Oh, it will. It will this year. I mean, that is this year, and if this bill is passed, we get an authorization, an NDAA

bill authorization, we are going to be fine this year. You won't see a blip there at all. I am thinking about in the future, we get into 2014, 2015 and 2016, the 10 years of sequestration.

FURLOUGHS AND LAYOFFS OF CIVILIAN PERSONNEL

Mr. FARR. Admiral Greenert, you operate the Naval Postgraduate School. Is this going to have an effect on furloughs and layoffs of civilian personnel?

Admiral GREENERT. Well, of course, if we get the bill, the furloughs go away, the school is restored faculty-wise, and returns to, if you will, normal operations. That is an important institution to me. When I now look and turn to sequestration, it is a matter of balancing the accounts, dealing with sequestration.

NAVAL POSTGRADUATE SCHOOL

And Naval Postgraduate School is a priority. I don't see a change in our student population. That is my seed corn. That is where I build my Jedi knights, you know? There are a lot of important issues, acoustics, cyber, financial management, it goes on. You know that, sir.

Mr. FARR. I haven't heard the term "Jedi knights." I am going to use that more often. Nice to have that training program in our backyard.

General Odierno, since the Army is the executive agent for the Defense Language Institute I am interested in your perspective. And I really applaud your efforts to seek the efficiencies that are needed, but you recently stated in the strategic intent that to be effective once deployed, the soldiers must be familiar with local cultures, personalities, and conditions they are operating, where they are operating. We can't afford to gain this knowledge under fire. Through the regional alignment of forces, we will meet both these imperatives, ensuring that our Army remains globally responsive and regionally engaged.

Can you achieve that strategic guidance with budget cuts and modernization: And I am hopeful that you realize how important language is and understanding of cultures play in that.

LANGUAGE AND CULTURAL TRAINING

General ODIERNO. Congressman, absolutely. As part of our strategy going forward, it is the continuing to develop language and culture among our soldiers that will support us to do this. And I would even talk about the fact that our cyber program, which we are investing in with more people, also will require the ability to speak numerous languages.

And so it becomes a critical component as we move forward. So DLI remains for us a very critical program.

And I would just add, you know, we send many soldiers to Naval strategist school, as well.

And so for us, both of those institutions are important, and become more important based on how I see us reaching out to, more into the Pacific, remaining in the Middle East. And even now into Africa, as we are conducting and looking at how we are going to conduct operations there.

So for us it will continue to be a key piece as we continue to develop not only our intel core, but also our operational capabilities to operate in these areas.

Mr. FARR. Well, I appreciate that, I think we are on the right track; if we are going to have a leaner military, we have certainly got to have a smarter military. And I always say to get smarter, you have got to go to Monterey.

I also want to thank you for the leadership you provided our former secretary. He is now back in Monterey as a constituent of mine. And Leon Panetta is really looking forward to being home, but also I think he is going to remain in close contact with those institutions as well.

I think we need to know what the MILCON project cuts are going to be. If we can get a list of those from the services. So far, you have all mentioned the number and 102 construction projects in 32 states from the Army, we have some buildings at DLI and some at the Naval Post-Graduate School and I would like to know if they were affected. The local economy really depends on those construction projects as well.

Mr. CULBERSON. If I may, in our bill, Mr. Farr, we are fully funding the requests to the branches of military for 2013—

Mr. FARR. The—

Mr. CULBERSON. At the 2013 level that is asked for. Yes sir, we fully funded them.

However, of course, the sequestration will automatically kick in, but there will be a cut, 7.8 percent, to the 2013 level, rather than 7.8 percent to the 2012 level, which will mitigate, as we were discussing, some of the impact.

Mr. FARR. And Mr. Young said that you were able to give him some discretion as to how they make those projects whole, cut those projects.

Mr. CULBERSON. Yes. We understand there is about \$4 billion of general transfer authority that Chairman Young provides in his bill that the—yes, the DOD bill, Chairman Young has produced will give the branches, the services general transfer authority of \$4 billion, and we provide in our bill for military construction special transfer authority of \$3.5 billion for the OCO accounts. So we have given them as much flexibility as we can in this tough environment to make sure that you can continue to do what you do and mitigate the blow as much as possible.

Mr. FARR. If I can, I would like to submit for the record the unique programs that we provide in the district to implement the national security strategy.

[The information follows:]

The district has unique and essential language and cultural education capabilities that could assist the Services in implementation of the National Security Strategy:

NPS:

The School of International Graduate Studies (SIGS):

- Graduate degrees specifically targeted at improving the cultural, political, and economic understanding and preparedness of U.S. military officers from all services about the regions in which they will be working and operating
- Officers attending the Naval Postgraduate School sit side-by-side in the classroom with officers from allied and partner nations.
- This combined educational experience prepares our officers to engage in successful capacity-building abroad and to contribute to the development of culturally-informed strategy and operations when deployed forward.

The Center for Stabilization and Reconstruction Studies:

- Conducts workshops that co-mingle service members and USG personnel with foreign nationals, NGOs, International Organizations – that all serve alongside each other during operations and peacetime engagement.

The Center for Civil-Military Relations:

- Provides education for USG practitioners on the concepts and fieldcraft for supporting Allies and Partner Nations in defense institution building, to include specifically the development of Partner Nation Ministries of Defense, Joint/General Staffs, and Service Staffs.

DLI:

- Provides resident instruction in 24 languages
- Multi-service school for active and reserve components, foreign military students, and civilian personnel working in the federal government and various law enforcement agencies.
- DLIFLC maintains Language Training Detachments (LTD) at 13 sites throughout the continental United States and Hawaii, where DLIFLC instructors are assigned to teach language sustainment and enhancement courses at the demand of the particular military service.

- Provides pre-deployment basic language and cultural awareness training to service members through Instructor Mobile Training Teams that travel year-round to deliver from two days to four weeks of training.
- Teaches within the scope of the Professional Military Education System at military schools such as the Command and General Staff College, the Air War College, and Naval Postgraduate School

Mr. CULBERSON. Without objection, of course.

And I know that the branches of the military always enjoy getting a chance to go to the California coast for some of that important training, beautiful part of the country.

All right, sir. Let me move, if I could, on to my colleague from Texas, Judge Carter.

Mr. CARTER. Thank you, Mr. Chairman.

Gentlemen, thank you for being here. I really appreciate it.

I am blessed to represent Fort Hood. We call it the great place, and I am going to be directing a lot of my questions to the Army because I live within the Army every day. I appreciate all of you, and thank you for your service to our country you have more than adequately shown for us over the last 10 years and we are very, very proud of all of you.

General Odierno, I know you are working on this Army programmatic environmental assessment. Preliminarily, I received information that under alternative one, we will be reducing about eight BCTs across the Army.

When you made that assessment, was that based upon the C.R. and the sequester, or was it just based on the C.R., or was it based on an appropriations bill as we are hoping we will be able to pass?

FORCE STRUCTURE REDUCTIONS

General ODIERNO. Congressman, that was based on the numbers based on the Budget Control Act of last year. And the reduction of eight BCTs was based on first course of action, so it was two battalion brigade combat teams. So, if we make the decisions to go to three battalions it would be more brigades, but it would be more of battalions that remain in the force in order to fill those.

Mr. CARTER. Alternative two, would be to insert a battalion in each of the remaining—

General ODIERNO. That is right.

Mr. CARTER [continuing]. Brigades.

General ODIERNO. That is right.

Mr. CARTER. You are still working on the assessment, but what number will you be working, we are hopeful that, of course, the House, and I think our colleagues all seem to be pretty united thus far that in the House we will get this thing done and have an appropriations bill for the defense appropriations bill and for MILCON and C.R. for the rest of the government. We still have to get through the Senate, we don't know what their feelings are yet for sure, but we are hopeful.

Does this analysis change any if we get an appropriation—

General ODIERNO. It doesn't, because the, what the C.R., what the appropriation does for us is increase readiness, it doesn't impact force structure. The force structure is based on our base budget numbers, and our ability to balance readiness, modernization, and force structure and strength. So it will not adjust that.

So the initial assessment was based on the \$487 billion reduction in the Budget Control Act. With sequestration signed into law, and if that continues, that will cause us to take probably a double amount of the BCTs, or another five to six or seven more BCTs out of the force structure.

So that is why, what we are trying to do is, that is why we gave ourselves an alternative, a course of action one, a course of action two. Although we might take out more brigade headquarters in a course of action two, it might allow us to keep more battalions, which is important to us.

So that is the difference between the two courses of action that we are working, and once we get the results back from the PEA, which I think finishes 21st of March, we will then begin to assess how we move forward. I think we will do some listening sessions out at each one of the installations so we get to hear the concerns, and then we will move forward with our decision making process after that.

Mr. CARTER. The flexibility that we are hoping to get you under this bill, one of the things that I have heard from you personally, and others, and it is so very important, and I think everybody on this committee absolutely understands this, you don't put any of your people in harm's way without training.

Will you have enough flexibility to maintain training schedules, because I am very concerned about that comment you made about going to the national training center, and the fact that you would be at a shortfall on that?

BUDGET IMPACTS TO READINESS

General ODIERNO. It will allow us to mitigate portions of it, it will not allow us to mitigate all. But again, we have a \$6 billion shortfall in O&M, it almost corrects that completely based on the C.R.

So you correct that problem. I have another \$12 billion problem because of sequestration and because of our OCO shortfall. So we will be able to correct some of it, but not all of it.

Mr. CARTER. Well this nation should never send any of your people in harm's way without training and that has got to be our first priority.

General ODIERNO. And I will—

Mr. CARTER. Whatever it takes, we need to do it.

General ODIERNO. And I will say, Congressman, that \$6 billion will definitely help us in ensuring we don't do that.

Mr. CARTER. Thank you for what you do.

Mr. CULBERSON. Thank you, Judge Carter.

I want to turn to my friend from North Carolina, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. And thanks to all of you for being here today, and for the work you do.

General Odierno, I will address this first to you, but invite others to contribute as they wish. Before the C.R., before the sequester there was the Budget Control Act, and there was the strategic review. And of course, all of you are already contemplating how to bring our military construction needs into line with the personnel reductions envisioned in the strategic review.

I have particularly been aware of this, because many in my congressional district have expressed concerns about the scenarios that are projected in the Programmatic Environmental Assessment published earlier this year of the impact on the communities adjacent to Fort Bragg. And again, that was before sequestration.

I heard a panel of economists yesterday respond to the question, "what is the perspective of history likely to be on what we are going through right now, 20, 30 years from now?" And they said, the question likely would be one of great puzzlement. How could a great country do such damage to itself through artificially created crises and ideological rigidity.

Economists of all stripes will tell us this process we are engaged in right now will damage this recovery. There is no question about that; hundreds of thousands of jobs will be lost, or not restored. As much as a percentage point will be shaved off of economic growth. There is a radically uncertain climate for business investment. So that is the macroeconomic impact.

And then there is the impact on specific functions of government, from cancer research, to building highways, we have basically stopped that, by the way, to border control, to many of the specific functions that you are discussing here today. Huge damage at the overall economic level, and at the level of specific critical governmental functions, defense and non-defense.

Now, the continuing resolution does include some well considered defense and military construction appropriations bills as worked out on this committee. And why can't it include more? We have a Homeland Security bill ready to go with the same, having undergone the same process and the same is true of many bills.

The defense and military construction pieces do anticipate and mitigate some sequestration effects, but by no means all. The sequester will still fall on this bill. All of you have reaffirmed that, and there is a clause in the continuing resolution that makes that abundantly clear. And it is also clear, by the way, that the C.R. does not cancel or totally mitigate the across-the-board character of the sequester, that is what a sequester is by definition, and the sequester will fall.

So, in light of that, my question is pretty basic: At what point is it going to be simply unsustainable to maintain the force levels that we need when the various programs and personnel who sustain and support our active duty personnel are subject to the indiscriminate acts of sequestration?

Now, I think we all agree that men and women in uniform, men and women in harm's way, shouldn't be subject to the whims of congressional malfunction. So the active duty troops properly were excluded from the sequester from the beginning.

But that is not true of the support personnel. That is not true of the civilian personnel. That is not true of a lot of support functions.

So I am asking you to reflect on what the breaking point looks like when it comes to cutting all the various other programs upon which our troops rely.

BUDGET REDUCTION IMPACTS TO THE ARMY

General ODIERNO. Congressman, first, as we look at this, and I mentioned it earlier, as I look at this, we have to stay in balance between end-strength, modernization and readiness. And if we don't do that, we become a hollow force because we have too much end-strength, and we can't give them the right equipment, we can't train them properly.

And, frankly, that is going to happen pretty quickly.

Now, for the, for eliminating active duty soldiers, that is really just for 2013. And so, when we go beyond 2013, we can then start to submit budgets that would continue to balance between end-strength, readiness and modernization.

And in the Army, that means we are going to have to cut people, because 48 percent of our budget is people.

So, as I have testified, right now we think it is somewhere between, if you include the Budget Control Act cuts with sequestration, it will be somewhere between 185,000 to 200,000 military personnel, a large majority of those being active component, but some National Guard-Reserve. It will include another significant amount of civilians as well.

So in just the Army alone, I would tell you it is about 230,000 to 250,000 jobs that will be affected by the Budget Control Act and sequestration, as you move forward.

If we don't do that, we will be out of balance. And we can't be out of balance, because, as we have talked about here, we cannot send soldiers into harm's way without the right equipment and the proper training. We simply can't do it.

And so, we have got to make sure we have got that right balance.

So, to me, I don't know what the number is yet. We are working our way through that. We are doing some analysis on when do I say it is just too low to meet our nation's needs. We have not come to any conclusions on that. And we will do that as we get further in to our development of how we will execute sequestration plus the Budget Control Act over the next 10 years—9 years.

Mr. PRICE. Thank you.

STRESSES OF CIVILIAN WORKFORCE CUTS

General Amos, you referred very persuasively I thought in your statement to the stresses of these civilian workforce cuts. Do you have anything in particular to add?

General AMOS. I do. But if you will allow me just a minute to put my Joint Chiefs' hat on for just a second because you alluded in your earlier comments to General Odierno about the United States and when is it going to be a bend in the knee of the curve or knee in the curve with regards to when you can't do it.

Congressman, we have, I think we are—the larger question for me, and I think for all of us that sit on the Joint Chiefs, is what is it our nation expects to be able to do in the world over the next decade to 2 decades? What is our global responsibility?

I realize that is not a state, it is not Texas, North Carolina, Carmel. I understand that. And I could never get elected, because nobody would ever vote for me.

But the fact is, is that we that wear the JCS hat, and, quite frankly, we are worried about that. We are worried about our responsibility as, quite honestly, the world's sole global power. That is it. There are rising powers, but we are it.

So I look at this in sequestration and I look at the impacts on the Department of Defense and all of our services and, quite honestly, I get very worried about it. I worry about what does that equate to with regards to presence, engagement, partnership.

We have got five major treaties in the Pacific. We have had them for over 50 years. They depend on us. So when we start retrenching, we start coming back to America and are the assurance of allies we will be—they are going to look at us the same way they are looking at these hearings, and going "Hmm, I wonder if they are going to be there for us."

So I just throw that out.

Sir, we have got almost 20,000 regular civilian Marines and another almost 8,000 what we call non-appropriated funds, where we actually raise those funds through other facilities or other means.

The bulk of those are going to be furloughed. Sixty-eight percent of our civilian Marines, are veterans. Sixteen percent are wounded veterans that are classified as having gotten out of the service as a result of their wounds.

I mean, that is significant.

By the way, the bulk of them don't work in Washington, D.C. Almost all of them are outside of Washington. They are out at our bases and stations. They are our health care workers.

I have got some, this is fairly staggering. I asked last night my staff to tell me, go into the health care and behavioral health and family readiness and our sexual assault prevention, highly qualified experts and folks that we have asked to come in and join our efforts.

And here is the cut. It is going to furlough about 500, a little over 500 of these folks; 25,000 behavioral health counseling hours will be eradicated; 15,000 what we call transition readiness, which is our transition for our veteran—our Marines into society, that will go away; 5,600 hours of Marine Corps family team building will go away; 114,000 child care hours are going to go away; and 1,500 sexual assault victim advocate hours are going to be reduced.

In my previous testimony, I have said this is not about things, it is about people. And people count. We are a people-intense organization in all our services and in particular mine.

Mr. PRICE. Thank you.

I don't know how much time I have. I would welcome any kind of response from others of you.

STRATEGIC BALANCE

Admiral GREENERT. If I could reiterate a little bit what General Odierno said, which is, one, we have got to look into the future and give you a strategic answer. We have got to get in balance for where we are today, or it is just too difficult to look into the future.

So, number one, as the committee has said, a bill, appropriations bill, very important. That will help us get in balance. But we still have sequestration, which is equal opportunity reduction across all the appropriations. My point would be we still will need some reprogramming.

And the wisdom of Chairman Young earlier applies to the transfer authority to come in later in the year, we say, "Okay, great. We have got a bill; now we get balance, now what about sequestration and where does that put us, and how do we patch up the programs, you know, that lost the 9 percent here or there that are really important, and what do we do with the remaining? And do we want

to now, again, come in and ask the Congress for the ability to re-program?"

Once we can get that foundation, we can then look into the future, with the other caps, and determine what that really means. Thank you.

Mr. PRICE. Thank you, Mr. Chairman.

Mr. CULBERSON. Thank you, Mr. Price.

I recognize my friend from Florida, Mr. Diaz-Balart.

Mr. DIAZ-BALART. Mr. Chairman, thank you very much.

Gentlemen, thank you all for the service you provide to our nation.

And let me also, Mr. Chairman, thank you for mentioning Bill Young. Bill Young, as you said, is a national treasure. But for us in Florida, well, he is just a very special icon. So thank you for mentioning him as well.

Gentlemen, a few issues, let me just kind of throw them out there, and so you all can kind of respond to them.

SOUTHCOM, it was mentioned briefly. We all know the issues in Latin America, whether it is the, you know, incivility and some not-so-friendly players, like Hugo Chavez in Venezuela, even though nature may have taken care of that one soon, Evo Morales in Bolivia, Rafael Correa in Ecuador, Daniel Ortega in Nicaragua, et cetera.

While at the same time Iran, China and Russia are making, frankly, very concerted efforts to gain influence and power in the region, including sales of advanced weapons.

SEQUESTRATION AND THE ABILITY TO DEAL WITH LATIN AMERICA

So I have, obviously, serious concerns about what sequestration would mean for our operations and our ability to deal with the issues in Latin America, but as well as drug interdiction. And I understand that sequestration could have a, frankly, a devastating impact on the interdiction of drugs.

GUATEMALA AID SUSPENDED

If you would comment briefly on the, I would, it would be helpful. Number two is Guatemala. You know, in the 1980s under Jimmy Carter, President Jimmy Carter, military aid to Guatemala was suspended because of concerns of human rights. In 2005, the aid began to flow through the Foreign Military Sales, for example, to Guatemala.

And in 2008, Congress started allowing International Military Education Training, IMET, funds, but only to certain components of the armed forces. Now, currently, you know, our government works very closely, hand-in-hand, with the Guatemalan counterparts on drug interdiction and on security operations.

Members of the Guatemalan military participate in U.N. sanctioned peacekeeping operations in Haiti, in Lebanon, in the Democratic Republic of Congo, in South Sudan. So, clearly, the Guatemalans meet at least U.N. threshold for those guidelines. So I am not quite sure why they are still not receiving that aid.

And are you all going to be trying to get State and Congress to rethink that policy, which I think is, frankly makes no sense whatsoever.

And, lastly, we have heard, and we are all concerned about the budgetary impacts that sequestration and the C.R. is having on you, and they are devastating.

I was, frankly, shocked to hear in some press reports late last year about I believe the Navy is spending \$200 billion in biofuels. According to press reports, at the rate of \$26 a gallon. Two questions on that. Is that, which I think is just, frankly, you know, amazing.

And I know that the secretary of the Navy mentioned that he wanted to create a market, a world market for biofuels. So it was not because, for our national security interests. It was to create a world market in biofuels.

And I believe the secretary said he was going to spend \$1 billion on biofuels in the next year. Is that off the table? You know, at a time when we are, again according to press reports and we know it is true, when the Navy is not able to send a carrier task force out, are we still going to be now at this time of sequestration and C.R.s and tight budgets, are we still looking at spending, you know, close to whatever—\$26 a gallon or hopefully less, but what are doing there? Three questions, three issues, and thank you very much, gentlemen.

Thank you, Mr. Chairman.

BIOFUELS

Admiral GREENERT. If I may, I will answer the question on biofuels. The Navy's budget, total budget for alternate fuel, and that includes biofuel as well as others, is \$17 million; \$11 million of that is testing different mixtures of fuel, in addition to pursuing the testing and evaluation of other alternative energy sources. The other \$6 million is for research.

The money frequently quoted with the larger sums are outside the Navy. They are DOD sources which you apply for. It is called a DPA fund, and I will have to get you the specifics of that act and what it stands for. And over a 2-year period, a 2- or 3-year period, when you add all that up, if the Navy were to get that funding, effectively held in escrow, and apply for it, then it could total the number of about—

Mr. DIAZ-BALART. So Admiral, that is, and right now, that is, I would assume, that in the list of priorities of the very tough choices that you are having to make, I am assuming, and that is just when you get a chance, I would like some information. Is that something that is really low on the priority list? Or is that still something that is—because I know it was a very high priority for the secretary. So I just want to make sure that, if you could, you don't need to now, but just let us know where that is on the priority list.

Admiral GREENERT. I will provide that for you.

The Navy has been pursuing energy efficiencies since the 1980s. Our energy efficiency program focuses on three areas: (1) operational energy efficiency; (2) shore energy efficiency; and (3) research and development. We will make energy efficiencies a priority to the extent that it improves endurance of our forces, mitigates vulnerable logistics tails, lowers total ownership costs, and enhances the resilience of our shore facilities. We are seeing results, for example, since 2003 the Navy has reduced energy use ashore by more than 17%. Investing in expanded sources of supply in energy reduces risk for future warfighting capability. The \$11 million invested in FY13 in alternative energy sources R&D is modest, which can help miti-

gate the impacts of a volatile fuel market as price and supply fluctuations in the petroleum market. For example, a \$1 change in price per barrel of oil can cost the Navy \$30 million.

The Navy provided a one-time \$64M investment in PB13 towards the OSD Defense Production Act Title III Program's (DPA) Alternative Fuel Programs. The Alternative Fuels DPA program leverages other federal agencies and industry commitments to expand discovery and delivery of alternative fuels. This program models itself after other successful efforts that supported industrial production capacity for critical defense needs. The Navy seeks greater energy security through demand reduction initiatives, supply expansion initiatives, and by building a culture of energy awareness and efficiency.

Mr. DIAZ-BALART. Great.

And then the issue of Guatemala, are we going to—is that something that you all disagree with my assessments that Guatemala should be now receiving, because they are receiving funding, but just not their army. I think they are, you know, there are other parts of it. Is that something—is my assessment wrong? Is that something that you all are looking at?

And thirdly, remember the other issue about drug interdiction mission with—how sequestration will impact that.

FOREIGN MILITARY AID RESTRICTIONS

General ODIERNO. Well, I would just say, Congressman, that decisions like that are based obviously on our policy decision, but also some legislation. There are amendments out there that limit our ability to provide aid in certain situations. I think that is why we are unable to do that. So until, you know, either they can be in compliance with the legislation that has been developed, as well as determined by the State Department that they are meeting all those requirements, we are not authorized or allowed to spend money.

GUATEMALA

I am not completely familiar with Guatemala, but I do know it stands in that category right now and that is why we are unable to spend money.

Mr. DIAZ-BALART. Any comment on the drug interdiction efforts? And my understanding is that it would be a rather dramatic reduction of our ability to interdict narcotics.

Admiral GREENERT. In the maritime sense, sequestration will affect it. And the deal is our force structure is going down, and particularly the ships that we employ down there. But there is also a shift going on, Congressman. We are going from our frigates—using our frigates and some destroyers, to littoral combat ships, which are a new class of ship—very fast, a lot of volume, and have already proven their value down in the Southern Command.

Also, called—a vessel called a “joint high-speed vessel.” It is a catamaran, very high-speed. It, too, we will deploy it soon to the Southern Command and it is custom-made, among other things that it does, for counter-drug, and has proven itself in exercises.

So we are evolving in this regard. We have got to get more innovative. And as our strategy says, our footprint will be, by direction really, fiscal direction, smaller.

But I commit to you, we value the importance of the mission. We will do whatever we can. It is a balance in our global force manage-

ment allocation plan, but we have other things up our sleeve that we can do to bring for that.

Mr. DIAZ-BALART. With the C.R., would that, in other words, how affected would that effort be due to sequestration? And would this, would the, you know, C.R.—I guess, the C.R.-plus, how would that change the scenario?

Admiral GREENERT. If we can get a spending bill once again, now, that is a horse of a different color, especially for this year. Now, we have these operating funds for this year that we can go back and revisit and do the balance and try to get back those operations, including Operation Continuing Promise down there, where we would—we—these are things that aren't interdicting drugs, but they are very important because they help preclude people from being interested in becoming drug runners.

Mr. DIAZ-BALART. Okay.

Thank you, Mr. Chairman.

Mr. CULBERSON. Thanks very much.

I recognize Mr. Fattah.

Mr. FATTAH. Thank you, Mr. Chairman.

And General Welsh, in your testimony you talked about some of the effects of these cuts in terms of weapons sustainment systems in Florida, Arkansas, a number of other locations. There seems to be an argument that these cuts are not going to weaken our military readiness. This is basically being made by people who are not wearing the uniform.

Since you are sitting here, and you have got this testimony that says that there are going to be real challenges with the cuts, I think that it would be helpful for the committee to understand what you mean when you say that there will be these delays, how will they really impact the force.

General WELSH. Thank you, Congressman.

Let me give you just an example. The Commandant talked a little bit ago about depots and equipment not getting into depots, and what that does to us. There is impact across the force, from readiness to people—to organizations and businesses that support the military. And I will just use an aircraft depot as an example.

Under the current sequestration law, without any new Defense appropriations bill, without any mitigation, we will not put 150 Air Force aircraft into the depot this year, and about 85 engines won't go into depot. That is about \$500 million worth of depot work that will not occur. Now, that depot workforce will also be undergoing the furlough activity for 22 days apiece over the rest of the year.

Along with that, we will stop about half-a-billion dollars in contract logistics support for that because the depot work is not occurring. That goes to small businesses that support the depot with spare parts, specialized expertise, tooling and people. Recreating those small businesses that will be dramatically impacted by this takes years.

SET OF CUTS IN THE BUDGET CONTROL ACT

Mr. FATTAH. Let me ask you a question. So, there was a set of cuts, almost about \$500 billion in the Budget Control Act that DOD has to deal with over the next 10 years. How are those cuts different from these automatic cuts?

General WELSH. From our perspective, what has happened is a series of cascading effects have now put us at a place where we are walking a knife's edge between being able to maintain readiness or not. It was the cuts at the end of the Gates administration. Remember, they were, on how we calculated somewhere between \$87 billion and \$200 billion. There was the Budget Control Act, which took effect back in 2011, really hit our budget in 2013.

And the Air Force, for example, has been trading readiness for modernization for the last 10 years because we need to modernize our force. We critically need to do it. Our readiness rates have been coming down for 10 years consecutively because we have been moving money into modernization accounts, focusing on the activity in the Middle East, not doing full-spectrum training across our force, so we could begin modernization.

When the Budget Control Act hit our budget in 2013, it exposed the margin that we were operating on—a fine margin between manageable risk and readiness and now an inability to maintain it. Sequestration exposed that completely. And so now we have had to think about taking money out of readiness—or excuse me, out of modernization and putting it back into readiness. That is why we canceled the Global Hawk Block 30 a year ago. That is why we recommended canceling the C-27 program, not because we don't want them, but because we can't afford everything.

Sequestration now magnifies the problem. Everything is affected. And it happens abruptly and arbitrarily. The biggest frustration for the people at this table is all the commentary we read and hear about, hey, we are making this stuff up. We are not. Nobody is emotional about this. It is pretty matter of fact.

The big issue over time for us, I believe, is what is our topline going to be for the next 10 years with sequestration. And until we know that, we can't even help define the specific impact on acquisition programs, modernization programs, infrastructure, numbers of people, force structure. We don't know yet.

BATTERY ISSUE WITH DREAMLINER

Mr. FATTAH. And one fairly pointed question, the battery issue with the Dreamliner. Some of your fighter planes use similar types of batteries. You have looked through this issue and are you comfortable?

General WELSH. Yes, sir. We don't have anything that I would consider a similar problem. I don't know where Boeing stands on their—I know they are comfortable with—

Mr. FATTAH. They are moving along pretty well.

General WELSH. But we are very comfortable. We do not have that same problem.

Mr. FATTAH. Thank you, Mr. Chairman.

Mr. CULBERSON. Thank you, sir.

Mr. Fortenberry from Nebraska.

Mr. FORTENBERRY. Thank you, Mr. Chairman.

And first of all, let me say how much I appreciate being a part of this new committee, being new, and I look forward to serving under your leadership.

And thank you all, gentlemen, for coming today and for your very informed and thoughtful and heartfelt testimony.

As I recall, Admiral Mullen several years ago was asked: What is the greatest threat to America? And he said: "Our debt." And so we are, as you are, caught trying to work through very difficult principles here. One is stopping the over-spending and getting our fiscal house in order so that we can help save this economy, turn it around, and also prevent national security problems that are resulting from this high level of debt and deficit, while also at the same time, delivering smart and effective, prudential, reasonable government services, the core essence of which is defending our country.

So all of you obviously are struggling, I think, with most good-willed members of Congress, as to how to best achieve this balance. And I agree with you, the sequester is a clumsy mechanism. It disproportionately affects the military and there should be more prudential ways to find appropriate reductions.

Yet at the same time, we are where we are. And it, of course, is becoming a leverage point for the broader necessary discussion that has to take place in Congress as to how we move forward on proper fiscal order.

With that said, let me move specifically to a question for you, General Welsh.

I represent Bellevue, Nebraska, which is where STRATCOM is located. STRATCOM came under an assault in December of 2010. It wasn't by the Russians. It wasn't by the Chinese. It wasn't by terrorists. It was by a broken water main, which flooded the basement of a nearly 60-year-old facility, which was designed when the telephone was the main way in which we communicate. And this was the central place where we basically take care of our nuclear infrastructure and planning. So an important process has been under way for a number of years to provide a new facility. We broke down on it recently.

I want to go back to a couple of comments that you made. Two being—one being to Chairman Young, as to how sequestration, in and of itself, would potentially or fully stop construction of a new STRATCOM headquarters, plus the furlough question. If we passed a continuing resolution with the Department of Defense Military Affairs appropriations bill attached, from what I hear you saying is, those projects proceed normally and a significant number of the furloughs could be prevented. Is that correct?

General WELSH. Yes, Congressman, that is exactly what I said.

Mr. FORTENBERRY. Why don't I just stop there, Mr. Chairman, in the interest of time?

Thank you, sir.

Mr. CULBERSON. Thank you very much. Right on target.

And then, Mr. Nunnelee, Mississippi.

Mr. NUNNELEE. Thank you, Mr. Chairman.

Yesterday I had in my office a young Marine, and when he got finished telling me his story, he just grabbed my heart. He said, "I saw an IED blow up, the colleagues on my right and left were blown to bits." And he said, "I am home now, and I am begging for help." And he said, "There are numbers all over my base. I called the number. Maybe somebody answers the phone. If somebody answers, I don't get a call-back." He said the intake workers "are

very, very good. Once I sit down with them and they talk about the issues I am dealing with.”

But it appears that whatever paperwork they complete on the intake gets put in a file, and nobody ever follows up. And he said, “There are many of us that are begging for help, and we are not getting it.” And I don’t question, in any way, your commitment to the men and women under your command. I know you want for them the best. But I do question all the demands that are on your time, and if this is something that gets lost in the bureaucracy.

YOUNG MARINES NEEDING HELP

So, since it was a Marine, General Amos, I will ask you first, but also the other servicemembers. What are we going to do to help these people?

General AMOS. Congressman, first of all, thanks, from the great state of Mississippi for your concern about our Marines. And I, obviously, I can’t, I can’t specifically dive into, although I would be happy to, and get you some specifics on the young Marine that came and spoke to you.

Since we crossed the border in 2003, in March of 2003, we have had 13,362 Marines wounded. Twenty-five percent of those Marines are what we would call seriously wounded. The other 75 percent are Marines that were patched up. Sometimes it is something as a grazing shot, it is something if a shrapnel is pulled out of a piece of flesh. But 75 percent return back within, probably, the first 2 to 3 weeks, back to their unit. They are patched up, and their life moves on.

That other 25 percent, there is a percentage of them that struggle with this matter of PTSD—it is real. There is nothing—there is not a single service here that—we are well past the point of being in denial on that. That was many years ago. We believe in it. We have put untold amount of effort to try to have the counselors, try to have the right people, have the programs. But it is more than programs. It has got to be a compassionate individual that sits down with a wounded sailor, soldier, Marine, and actually takes their story and talks to them.

That is what we try to do, and of that 25 percent of those 13,000 plus, I think we are pretty successful, that almost a clear majority of the time. Every day I will get an e-mail from somebody. It will come often from a family member or somebody of a Marine that was released from active duty 2 or 3 years ago. So this is out there. And we will find out that this Marine is struggling. This Marine is homeless. This Marine is without a job. This Marine is suffering from PT—this Marine has attempted suicide.

And, Congressman, I have come to understand, having touched this now for 6 to 7 years personally, you have got to—they come to you one at a time. You have got to deal with them one at a time. You can’t deal with them in a, kind of, a group think thing. Each one of these young men or women are individuals. And we try. We try to get them while they are on active duty. We try to take care of them once they go out the other side and enter civilian life.

So, sir, I would be happy to give you the specifics of that young man, but I have got to tell you, there is no more compassionate or-

ganization right now to care for our young men and women that are wounded than my service.

CARE FOR VETERANS

General ODIERNO. Congressman, if I could jump in on this, this is, obviously, a very important issue. And it goes along several different lines. Let me just try to quickly summarize those.

So one is, as we talk about both traumatic brain injury and Post Traumatic Stress, this is something about the continuum of care that we have to develop. And it starts, first with the individual coming forward, when he does come forward, as you just addressed in this one case, that the appropriate capability is there to assist him.

And for the Army, it is in a variety of places because of our National Guard, our U.S. Army Reserve, as well as our active duty soldiers. They are all over the United States. So how do we develop a network of continuum care to make sure they can reach out and be treated?

And then the third is our ability to then hand them off to V.A. And how do we do that in such a way where everybody understands their problems, the medical records are handed over, the counseling sessions are handed over, so it is a constant continuum of care? This is what we owe our soldiers, sailors, airmen and Marines, is this continuum of care, and that they don't get lost in the system, that we are going to continue to fund this, because, to go on for 10, 15, 20 more years, as we all know to make sure that we continue to have the programs in place.

RECRUITING MORE COUNSELORS

In the Army, one of the issues we have had is, we have the authorization, and we have allocated the dollars, no matter how constrained our budget is, is to hire the counselors. But, frankly, there aren't enough counselors out there. There is incredible competition between us and the local communities for these counselors. So we are continuing to work on our recruiting efforts to bring them in so we have plenty of counselors to deal with, not only the soldiers, sailors, air, Marines, but their families, as well, who are affected by this.

So we absolutely are, we take this on as one of our most important functions. And not a day goes by, as the commandant said, that we are not aware of an individual case that might not be going the way we want it to.

I will tell you, there are hundreds and hundreds of cases that are going very well, but if one does not do well, that is on us, and we have got to continue to work that together. So this is a complex issue that is going to take a lot of time and effort across a wide variety of areas. So am with you on this, and we will do all we can to continue to work this and we will work with you all as we come up with more issues—

General AMOS [continuing]. Not only do the services have all their issues of programs and how they are trying to care for, and how they are all basically the same, I mean there is, we best practices from each of the services. It is not institutional prerogative. We have stolen best thoughts and ideas from all our sister services

to try to come up with the best product and the best venue. The V.A. is doing exactly the same thing. If General Shinseki was here, he would talk with a great passion about——

HOMEOWN ORGANIZATIONS

One of the things that has happened as a result of almost 12, 13 straight years of combat, is there are different organizations; some of them are church-centered, but a lot of them have grown up, they have become homegrown organizations that have now great institutional impact, civilian-wise, that touch the Army, the Air Force, the Navy, the Marine Corps outside, and provide those extra bits of care, the money, the capability, the capacity to be able to care for these young men and women beyond what V.A. and beyond what the Department of Defense can.

And there is goodness to that, and without getting into some specific names of some of these organizations, because that would probably be inappropriate, but there are some wonderful organizations and institutions that care for them beyond what we could ever care for what the V.A.——

POST-DEPLOYMENT ASSESSMENT

Admiral GREENERT. Something I would add to my two colleagues on my right and left, I have worked passionately—there is an element of stigma that when the kids come back it is okay to not be okay, and driving that home is sometimes difficult. So we will do a post-deployment assessment, and they don't want to, for fear of leaving the unit, they will say, no I am all right.

We have to have the discipline, and there is a process to follow up on everybody. So that is the part where somebody says, "Well, Billy said he was okay," you know, whatever. We have to follow up on that. And as Jim and Ray both said, that is incredibly important, and—process——

Mr. NUNNELEE. Well, again, I do not question your individual commitment to those young men and women. The only reason I raise the issue is to request that you make sure your organizations carry the commitment that you just expressed here. Make sure that every returning young man and woman gets the mental health care that they have every reason to expect.

Thanks——

Mr. CULBERSON. Thank you very much.

Our witnesses are coming up against a hard stop. I know several of y'all have to leave. So I would ask the committee members, if we could, any additional questions, we will certainly submit in writing, but I, you know, have a brief closing statement, but I would like to recognize my friend Mr. Bishop for any closing remarks or questions he would like to ask, and then we are going to need to conclude.

Mr. BISHOP. First of all, let me just thank you for your service, thank you for your hard work in dealing with the challenges that we face. I do have some additional questions for all of your gentlemen, but we will submit them for the record. I understand that at this time there is great demand for your time, because of the knowledge that you have and the challenges that we are facing, there are others who want to explore that.

So I thank you for coming. I thank you for the information. And I thank you for your service. And we will submit some additional questions for the record.

Thank you.

Mr. CULBERSON. Thank you, Mr. Bishop.

I just want to reiterate how united the Congress is in supporting you and helping you in every way that we can. We recognize the—that this is a very dangerous world out there, just very briefly looking at the headlines this morning, the supreme commander of North Korea said that they are—intend to cancel the 1953 cease fire, and that is an extraordinarily dangerous situation in North Korea.

In the communist Chinese, they have announced that they are going to raise their annual military spending by almost 11 percent a year. The Chinese gold reserves, in fact, Chairman Young and committee members Chinese foreign sea reserves have surged 700 percent since 2004, and they have got enough money right now on hand to buy every central bank in the world's official gold supply twice.

And I also saw this morning that there is a Chinese, a communist Chinese military delegation visiting the Pentagon, Hawaii, and the District of Columbia and the Pentagon, and this includes a general who said they were prepared to do a first strike nuclear attack against the United States. I mean, that is of real concern. I hope we are limiting what those folks have access to.

We face a very dangerous world. The committee is committed as is the Congress to support you and help you in every way that we can to make sure the United States military is the very best in the world, and again, that you never have to look over your shoulder or worry about the equipment, the supplies, the support, the facilities and the health care that our men and women in uniform receive.

We will continue to make sure that it is the very best in the world. And we thank you very much for your service to the country. And we will submit any additional questions in writing.

Thank you, very much.

And the hearing is adjourned.

[Questions for the Record follow:]

[Questions for the Record submitted by Congressman Young for General Odierno follows:]

Question 1: It is my understanding that the current standards of living for the barracks system at the Military Academy at West Point do not meet basic human needs in terms of minimum standards for health, safety, or gender equity. You have stated this is one of Army's top construction programs and rightfully so. However, if these are the standards at one of the Nations proudest institutions of higher learning and National Defense, what are the conditions at less historic and socially visible locations such as basic training bases, training areas, and overseas locations? Given the current budget constraints; how will this further degrade the quality of life for the Soldiers given the additional \$2 billion reduction or 70% drop in installation sustainment funding?

Answer: The Army remains committed to ensuring all Soldiers have quality billeting commensurate with their significant sacrifice and service to our Nation. With Congressional support, since the barracks modernization program began in 1994, more than \$19 billion has been appropriated towards the total \$22 billion requirement of which the largest portion is for Permanent Party and Initial Entry Training Barracks Investment Programs. Operational Readiness Training Complexes (ORTC) and Institutional Training Barracks have also been built and programmed to support training of the Army Reserve and National Guard. The Army estimates that at the end of Fiscal Year 2013, 92% of the permanent party barracks inventory and 75% of the training barracks inventory will have been modernized and meet Army facility and configuration standards.

Continuous investments in sustainment, restoration, and modernization have been made over the life of the modernization program to ensure existing Army facilities continue to meet the needs of the unaccompanied soldiers and the mission. Given the current budget constraints, the installations are limited to executing maintenance and repair type activities related to life, health, or safety. A 70% drop in installation sustainment funding maintained over a prolonged period of time will result in a significant decline in facility conditions, which may adversely impact the morale and retention of the Army's unaccompanied Soldiers.

[Questions for the Record submitted by Congressman Young for General Odierno follows:]

Question 2: What changes have been made, if any, to the personnel hiring/certification, evaluation, training, and retention of Child and Youth development programs employees and administrators to ensure premium care is available while our service members continue to honorably serve the Nation? What recommendations can you offer to improve upon these changes?

Answer: The Army has mandated explicit compliance with existing criminal background check requirements and ordered a complete audit of the records of individuals involved in providing child care services in Army child and youth service organizations. The Inspector General is conducting a special interest assessment of policies, procedures, and oversight mechanisms applicable to criminal background checks and employment suitability determinations, and the Assistant Secretary of the Army (Manpower and Reserve Affairs) is evaluating the adequacy of regulations to ensure the health, safety, and well-being of Army children. The Secretary of Defense also directed a Department-wide, 100 percent background check audit of all providers who have regular contact with children in Department of Defense Child Development Centers, School Age Care Programs, and Youth Programs.

In addition, the Secretary of the Army directed all child care staff to receive refresher training by March 15, 2013, and all child care managers to receive training by April 15, 2013. The training encompasses important topics such as the touch policy, child abuse reporting, supervision, Sudden Infant Death Syndrome, nutrition, and curriculum development and ensures consistency and predictability for classroom, child, and staff interactions.

The Army takes very seriously its responsibility to provide the best possible services for our men and women in uniform, many of whom rely on us to care for their children while deployed. We will ensure all Child Development Centers operate in compliance with the highest standards and continue to provide the highest quality of care for our Soldiers and Families.

[Questions for the Record submitted by Congressman Young for Admiral Greenert follows:]

Question 3: Modernization of the force while maintaining operational readiness has been a challenging endeavor over the last few years. With that said, what are the priority efforts in terms of housing and infrastructure renovation in the Navy? What trade-offs will have to be made, and how will families and junior Sailors be negatively affected given these tough choices? How far are you from meeting the Secretary of Defense's adequacy goals for family and unaccompanied housing in programs such as Home Port Ashore and others like it?

Answer: We continue to make progress in our housing program and provide safe, affordable, and comfortable housing for our Sailors and their families. We are pursuing a three-part housing strategy. First, we make every effort to house our Sailors and families in the local community. Second, absent adequate suitable community housing, we partner with the private sector to provide quality housing through Public/Private Ventures (PPV). Third, in those areas where community and PPV housing are insufficient we rely on MILCON funding to build unaccompanied and overseas family housing.

Quality housing significantly impacts Sailor retention, productivity, and individual and mission readiness, and I remain committed to steadily improving the condition of both unaccompanied and accompanied housing despite fiscal challenges.

For our accompanied Sailors, the Secretary of Defense's goal is to achieve an "adequate" rating on 90 percent of the family housing inventory. As submitted to Congress, Navy's FY13 budget funds Navy to achieve this goal based on our FY13 inventory by 2017.

For unaccompanied Sailors, our top priority is providing accommodations by 2016 for each junior unaccompanied Sailor while his or her ship is in homeport as part of our "Homeport Ashore" program. Our FY13 MILCON budget submission includes barracks construction at Naval Base Coronado. This project is the final military construction project to complete our Homeport Ashore effort.

Our next priority for unaccompanied Sailors is to achieve an "adequate" rating for 90 percent of our barracks by 2022. To support this goal, our FY13 budget submission requests \$195 million to improve the condition of unaccompanied housing facilities.

[Questions for the Record submitted by Congressman Young for Admiral Greenert follows:]

Question 4: You proudly state that the Navy is at its best and the best Sailors support the National interests when they are operating forward. Here on this committee we cannot thank you enough for your fine service to our nation, but how do we ensure our proud Sailors and their families feel as appreciated and cared for by their Service to our Nation in the Navy with the accommodations, services and support programs provided for Sailors and their Families at home and overseas during these times of fiscal constraints?

Answer: I have made clear my intent to protect Sailor and Family support programs to all my military and civilian leaders.

In the Navy, we believe our most important quality of life efforts center on our Sailor and Family support programs. Experience shows that when we fail to resource these activities, our warfighting readiness suffers. I remain committed to making sure we provide for our Sailors, Civilians, and their Families and fund our most important missions and deployments, and these Sailor and Family Support Programs.

[Questions for the Record submitted by Congressman Young for General Welsh III follows:]

Question 5: As we look at the remainder of this calendar year, at what point do you believe we start putting flight crews at risk while also doing a disservice to our allies and partners in the region who rely on your leadership and experience so heavily?

Answer: The Air Force will not place its flight crews at risk by asking them to fly without proper training. The Air Force will prioritize and continue to fly sorties required for deployment spin-up, missions in support of ongoing named operations (including those in the CENTCOM AOR), nuclear preparedness, Presidential support, and initial qualification training pipelines. Those combat air force units not expected to deploy will see their flying hours curtailed as early as mid-April 2013.

Because the Air Force must prioritize the operational missions described above, many of the flight hours that must be eliminated will come from other combatant commander requirements, such as participation in international airshows, coalition exercises, Theater Security Packages and Theater Security Cooperation. Relationships and continued interoperability training with many key partners and allies around the world, to include the CENTCOM AOR, will be adversely affected.

[Questions for the Record submitted by Congressman Young for General Welsh III follows:]

Question 6: Given your operational posture how do you foresee the operations and maintenance accounts and the investment accounts being affected due to constrained fiscal outlays'

Answer: The Air Force expects to absorb over \$12 billion in sequestration reductions while we simultaneously work to mitigate an overseas contingency operations shortfall of approximately \$1.8B and operate under a highly restrictive Continuing Resolution. A reduction of this magnitude would be devastating to our mission and our people. The Air Force must take further actions to significantly slow spending to operate within mandated budget limitations. Implementation of these actions is structured as best possible to minimize short- and long-term harm to our people and our unit readiness, recognizing that major impacts cannot be entirely avoided.

In our operations and maintenance accounts, the Air Force would need to reduce flying hours and weapon system sustainment; curtail training; freeze civilian hiring and furlough civilians; reduce daily operations to emphasize mission critical operations; and defer/stop infrastructure investments. An 18% flying hour reduction will be difficult to overcome. As the Air Force strives to preserve readiness, focusing on ensuring deployed and next to deploy units are prepared for operational engagement, other units will suffer greatly from reduced training opportunities. The training recovery is protracted (the bowwave) and will require a surge in flying hour funding that is not currently programmed in future years. Deferred/delayed facility sustainment will lead to more costly repairs as our units will only be able to accomplish emergency repairs.

Investment programs would need to be restructured, reduced and/or terminated. All investment accounts would be impacted, including our high-priority Acquisition Category I modernization programs such as MQ-9, Joint Strike Fighter, and KC-46A. Cancelled or restructured contracts in all areas (operations and acquisition) will need to be renegotiated potentially at higher prices due to unit quantity cost increases.

Absorbing reductions would potentially lead to unit effectiveness being systemically degraded, resulting in the illusion of readiness (e.g., "hollow force"). Furthermore, this would make our ability to cover any emergent execution year requirements (e.g., fuel price increases) extremely difficult.

[Questions for the Record submitted by Congressman Young for General Amos follows:]

Question 7: Given the inability to consistently and adequately train flight crews, conduct long-term depot level maintenance, and execute critical multi-year procurements of advanced platforms such as the MV-22, what long term aviation capabilities will you actually be able to provide as the services look to concentrate on an area as massive as the Asia-Pacific region in the future?

Answer: The Marine Corps meets its aviation mission requirements by providing adequately trained flight crews and operationally capable aircraft to all theater combatant commanders. Any inability to conduct long-term depot level maintenance and execute critical multi-year procurements of advanced platforms such as the MV-22 is temporal in nature. Over the long term the Marine Corps will continue to provide aviation elements sufficient to support Marines forward deployed in the Asia-Pacific region.

The Marine Corps is aware that fiscal realities and subsequent budgetary changes may necessitate adjustments to U.S. global defense posture and future Marine Corps aviation lay-down in the Pacific in the coming years. However, the Marine Corps continues to plan for a transition from 13 to only 6 types of aircraft throughout the next decade. The modernization of Marine aircraft and enabling systems will result in improved capabilities and additional employment options for the Pacific Command (PACOM) commander. Additionally, service decisions on basing locations of Marine aviation assets will result in enhanced support to the Marine Air Ground Task Forces (MAGTF) in Japan, Australia, Guam, and Hawaii.

As part of the MAGTF, the Aviation Combat Element (ACE) is responsible for fulfilling the six functions of Marine Corps aviation. The six functions are Offensive Air Support, Anti-Air Warfare, Assault Support, Aerial Reconnaissance, Electronic Warfare, and Control of Aircraft and Missiles. Through our modernization effort and in support of the MAGTF, long-term ACE capabilities will include, but are not limited to, the following: the CH-53K providing increased lifting power and range; the RQ-21 A Integrator providing a shipboard UAS capability that will transform command and control and intelligence, surveillance, and reconnaissance; and the F-35B Lightning II providing a transformational leap spanning numerous capabilities. Additionally, our continued transition to the MV-22 Osprey, the UH-1Y, and the AH-1Z will provide for increased payloads, range, and time-on-station in the Asia-Pacific region.

[Questions for the Record submitted by Congressman Young for General Amos follows:]

Question 8: As we look at the remainder of this calendar year, at what point do you believe we start putting Marine flight crews at risk while also doing a disservice to our allies and partners in the region who rely on your leadership and experience so heavily?

Answer: As America's Force in Readiness, Marine Aviation Units maintain a high state of readiness at all times to respond to contingencies and commitments across the globe. We will therefore preserve the readiness of our Marines that are forward deployed; continue to deploy units that are fully manned, trained, and equipped; and do our best to ensure that units preparing to deploy have the necessary resources and training.

For the remainder of the calendar year, the Marine Corps will manage and leverage training opportunities to maximize the proficiency of flight crews prior to deployment. Our allies and partners can count on our forward deployed Marines to be adequately resourced while maintaining a high-level of proficiency and dedication to the mission.

Beyond calendar year 2013, the effects of sequestration and the CR equates to an approximately 20% reduction in flight hours, curtailment of depot throughput, and fewer spares due to decreases in aviation depot level repairable funding. The negative effect on readiness is caused by reduced flying hours and available mission ready aircraft. Reduced aircraft on the flight line will reduce service life for those aircraft in use, and ultimately challenge the smooth transition to the F-35B. Additionally, the lack of operational funds for training support (e.g. training range support, ordnance, TAD for training) directly impacts readiness.

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

Proposal to relocate Fort Hood Central Technical Support Facility to Aberdeen Proving Grounds MD.

Background: In the context of the Presidential Budget request for fiscal year 2014, the Department of the Army will evaluate the consolidation of missions and functions within the Army Test and Evaluation Command (ATEC). There is evidence that the Army plans to implement actions in 2013 before any of the congressional defense committees will have had an opportunity to act on the fiscal year 2014 budget request.

Question 1: Has the decision been made to consolidate any of the ATEC locations? Has decision been made to keep Operational Test Command and Central Technical Support Facility at Fort Hood?

Answer: No, there has been no decision to consolidate any US Army Test and Evaluation Command (ATEC) locations. ATEC specifically focuses on increasing the efficiency and effectiveness of operations through continuous process improvement of test and evaluation functions; however, ATEC does not anticipate any test capability consolidation at this time. Note that the US Army Operational Test Command is part of ATEC; however, the Central Technical Support Facility is part of the Army Material Command.

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

Proposal to relocate Fort Hood Central Technical Support Facility to Aberdeen Proving Grounds MD.

Question 2: Is Secretary McHugh still the deciding authority?

Answer: The US Army Test and Evaluation Command (ATEC) does not anticipate any test capability consolidation at this time. If such a consolidation of missions, functions, and locations is deemed necessary in the future, please be assured that ATEC will use appropriate channels within DOD to properly request appropriate approvals.

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

Proposal to relocate Fort Hood Central Technical Support Facility to Aberdeen Proving Grounds MD.

Question 3: Has a business case analysis that includes a full assessment of operational impact been conducted?

Answer: No, there has been no need for a business case analysis since the US Army Test and Evaluation Command (ATEC) does not anticipate any test capability consolidation at this time.

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

Proposal to relocate Fort Hood Central Technical Support Facility to Aberdeen Proving Grounds MD.

Question 4: What are the estimated budgetary savings generated by consolidation?

Answer: There are no estimated budgetary savings generated by consolidation since the US Army Test and Evaluation Command (ATEC) does not anticipate any test capability consolidation at this time.

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

Proposal to relocate Fort Hood Central Technical Support Facility to Aberdeen Proving Grounds MD.

Question 5: Do you believe the Army should base this decision off empirical evidence and should Congress have access to this information?

Answer: The US Army Test and Evaluation Command (ATEC) does not anticipate any test capability consolidation at this time, therefore, there is no evidence or information to provide.

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

United States Material Command and Army Aviation and Missile Command mission in Temple Texas.

Background: Army Aviation and Missile Command is a branch of the United States Army Material Command based out of Huntsville, Alabama. Aviation and Missile Command operations doubled since mid 1990s, and the Temple operations grew from converting retired UH-1 Huey helicopters for the foreign market to becoming a premiere Army Aviation reset facility refurbishing returning aircraft from Afghanistan and rotary wing operations. The main mission today is to return aircraft to like new condition, modifications to aircraft, scheduled maintenance, form fit functions and limited DEPOT repairs. Army leases 3 hangars totaling 102,150 square feet at \$768,436 per year. The current contract employs (DynCorp) at 252 positions and government employees at 8. The issue is the leadership has advised that operations in Temple will cease effective December 2014 due to budget funding levels, reduction of facility needs and a directive to move facilities on post.

Question 6: Is the Army considering or set plans in motion to consolidate the Army Aviation and Missile Command reset facilities in Temple Texas.

Answer: Yes, the Army is considering consolidating its aviation Reset facilities in Central Texas. As requirements continue to decrease, the Army must assess its current infrastructure in terms of capacity and capability to ensure that the organic industrial base is shaped properly to meet future Army and Joint requirements, to include surge capacity.

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

United States Material Command and Army Aviation and Missile Command mission in Temple Texas.

Question 7: Has there been a cost benefit analysis of the leadership directive to move these facilities on Fort Hood? If so, is it fiscally responsible and can this analysis be provided to Congress for review?

Answer: There has been no formal cost/benefit analysis done for consolidating all facilities on Fort Hood. However, the cost for maintaining off-post facilities including leases, utilities and security is \$2.284M a year. Based on future Army Aviation and Missile Life Cycle Management Command aviation Reset requirements, the workload can be accomplished at existing on-post facilities more efficiently.

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

United States Material Command and Army Aviation and Missile Command
mission in Temple Texas.

Question 8: What are the established criteria for the 4-6 reset facilities that the Army is considering retaining?

Answer: The decision criteria used for retaining Reset facilities are:

Is it located on Army installations and collocated with an active Army Combat Aviation Brigade?
Is the capability and infrastructure required for the future projected aviation Reset workload?
Is it regionally dispersed to meet the Army Aviation force structure requirements?

[Questions for the Record submitted by Congressman Carter for General Odierno follows:]

United States Material Command and Army Aviation and Missile Command mission in Temple Texas.

Question 9: Will there be an official notification?

Answer: The current lease expires in December 2013. If necessary, notification would be provided within the terms of the lease for the facility. The current lease requires a 60-90 day formal notification of the intent to cancel. Any decision not to extend the lease would require notification to be made within this timeframe.

[Questions for the Record submitted by Congressman Bishop for General Odierno follows:]

Question 1: General Odierno for the past few months the Congress has received numerous warnings of what to expect with sequestration regarding civilian personnel and readiness, but we haven't received a clear picture on what will happen to the Army's construction program, can you describe how the Army will deal with these cuts and what projects are most likely to be canceled?

Answer: Under sequestration, the Army's FY13 MILCON appropriation and unobligated prior year accounts would decrease by \$567 million. For FY13, there are no anticipated MILCON project cancellations or radical downsizing of ongoing projects. In the event project cancellations are required due to sequestration, we will prioritize projects to determine which ones to defer or cancel.

[Questions for the Record submitted by Congressman Bishop for General Odierno follows:]

Question 2: General Odierno, under the Budget Control Act the Army Active Component End strength is being reduced to 490,000 and now you have the compounding challenge of the, fiscal uncertainty from the combined impact of the Continuing Resolution, Sequestration and the Emerging Overseas Contingency Operations shortfall. Additionally, Sequester triggers significant budgetary reductions well beyond FY13. What could be the impacts to Force Structure and Installations?

Answer: The magnitude of today's fiscal uncertainty will have grave consequences on our Army. Consistent with the Budget Control Act of 2011, the Army is reducing its authorized end strength by 89K by the end of FY18. If nothing is done to mitigate the effects of operating under a continuing resolution, shortfalls in our funding of overseas operations, and the enactment of sequestration, the Army will be forced to impose an additional reduction of at least 100K Soldiers from the Active Army, Army National Guard, and United States Army Reserve, affecting every installation where Army units are stationed. A future round of base realignment and closure (BRAC) may be necessary to identify excess Army infrastructure and prudently align civilian staffing with reduced force structure.

[Questions for the Record submitted by Congressman Bishop for General Odierno follows:]

Question 3: General Odierno, it is my understanding that the Cadet Barracks at West Point vary in age from 118 years to 41 years and the last set of barracks were constructed between 1961 and 1972. Furthermore, no additional barracks were constructed to support the integration of females into the Corps of Cadets in 1978. In the Army's FY2013 budget request funding was requested to build a new cadet Barracks but the project is delayed due to the lack of new start authority. Can you explain how this will affect the schedule and does the Army expect cost increases because of the delay? And can you give the subcommittee some background on the current conditions of the Barracks and the challenges our cadets face using these outdated barracks?

Answer: A delay in new start authority may impact West Point in two ways. First, it will delay completion of the Cadet barracks, which had been projected to provide additional rooms beginning with Academic Year 2016. Second, the delay may extend completion of the Cadet Barracks Upgrade Program, or CBUP, because the new facility will not be available to house Cadets as other barracks are vacated for renovation. In some cases, a project of this nature may be expedited to shorten its duration, generally at an increased cost. However, for the Cadet Barracks, site constraints make expediting this specific project infeasible. Therefore, there is a potential for increased costs due to delays, but the specifics cannot be determined at this time.

The current conditions of the existing Cadet barracks neither meet Army permanent party barracks standards nor the West Point target configuration for Cadet Rooms. At the beginning of the academic year, approximately 40% of the Cadet population is overcrowded, with three Cadets sharing rooms suited for two. Room assignments by Cadet Companies cannot be fully achieved due to the current number of male and female latrines available. Cadet Barracks do not comply with life safety building codes and Army quality of life standards. The current billeting situation has a negative impact on Cadets' quality of life, study conditions, and leader development. These factors affect the Military Academy's ability to attract and retain the most qualified Cadets.

[Questions for the Record submitted by Congressman Bishop for General Odierno follows:]

Question 4: General Odierno, the PEA discusses the impacts to the communities with the loss of a brigade combat team. One worrisome assessment in my opinion is that the impact will disproportionately affect low income populations. For example the PEA states that "Fort Benning employs an estimated 18.4% of the personnel in the Columbus Metropolitan Statistical Area and when considering (non-farm) employment...If one includes students and trainees, by the installation is estimated to support more than 25% of all jobs within the region of influence." The PEA later states that Chattahoochee County includes the highest percentage of individuals in the region of influence that live at or below the poverty line, 26.5% in 2009, which does not include Fort Benning's on-post military population. How does the Army weigh an impact like this when making decisions about restructuring the Army?

Answer: The Army will reduce its force structure as required by the Budget Control Act of 2011, consistent with the National Military Strategy. All installations will be impacted as the Army reduces its Active Duty end-strength by 80,000 Soldiers from the FY2010 peak of 570,000 to 490,000 by the end of FY2017. The Army is analyzing all the options available, but no decisions have been made at this time.

All of the factors the Army uses in its decision process, including socioeconomic impacts, will be thoroughly evaluated after the Programmatic Environmental Analysis (PEA) public comment period has closed on 21 March 2013 and the Army has completed listening sessions at installations to receive additional community input and hear community concerns outside of the PEA process.

Some factors are more readily quantifiable, including the operational and well being considerations in the Military Value Analysis (MVA) model. Other factors, including environmental and socioeconomic impacts, strategic considerations and feasibility, are more qualitative in nature. The quantitative factors will be used as a starting point. The results of the Army's quantitative evaluation will be applied against several qualitative filters, including environmental and socioeconomic impacts, to ensure that the outcomes of the quantitative evaluation do not produce results that deviate from requirements or produce results that are unacceptable or infeasible.

[Questions for the Record submitted by Congressman Bishop for Admiral Greenert follows:]

Question 5: Admiral Greenert, what will the impact of sequestration be on the Navy's Construction program, specifically please explain how this will affect the Navy's Homeport Ashore Initiative and how realistic is the 2016 goal now that we are functioning under sequestration?

Answer: Sequestration will impact Navy's ability to execute the fully authorized MILCON program and will result in the deferral of a range of Operational, Quality of Life, and Base Support projects. Our planned FY13 MILCON program supports facilities readiness, quality housing, as well as operations, training, and maintenance associated with new platforms and systems. These new platforms and systems are designed to affordably improve the relevance of our Fleet to current and future threats and take advantage of emerging opportunities.

Our FY2013 MILCON budget submission includes the final military construction project to complete our Homeport Ashore initiative — a barracks at Naval Base Coronado. This project is currently on hold due to the continuing resolution. Under sequestration, funding for this final Homeport Ashore barracks will be reduced by 9 percent, which may require Navy to defer the project, reduce project scope, or request reprogramming authority. If we are able to begin this project in 2013, Navy will complete our Homeport Ashore build-out by 2016.

[Questions for the Record submitted by Congressman Bishop for General Amos follows:]

Question 6: General Amos, in Marine Corps briefing materials it was stated that the CR coupled with sequestration could cause lasting damage to Marine Corps infrastructure. Can you explain what the Marine Corps meant by that?

Answer: An annualized continuing resolution (CR) coupled with sequestration would have resulted in the loss of all new FY13 Military Construction (MILCON) projects as well as a significant reduction in sustainment and restoration of existing facilities—the combined effect of these two issues, had HR933 not been passed, would have caused irreversible long-term impacts to facility readiness.

While the passage of HR933 will allow the Marine Corps to begin new military construction, \$761M in projects were delayed for nearly six months due to the FY13 CR. This prevented the commencement of MILCON projects that support training, force protection, transition to the JSF, and the rebalance to the Asia-Pacific region – this is lost time that cannot be made up.

Further, our FY13 MILCON budget is approximately one-half of what we were appropriated in FY12. When coupled with sequestration-induced cuts to our facilities sustainment, restoration, and modernization accounts, we are seeing a cascading effect. The Marine Corps has less money for new construction, which means that buildings must last longer; however, we have less money for facilities sustainment, which means minor maintenance may be delayed or simply cancelled. The cumulative effect of these difficult choices will result in a gradual erosion of our facilities, increasing repair costs, requiring earlier than planned replacement, and degrading our overall readiness. Buildings in disrepair affect our ability to both train and house our personnel and result in a commensurate negative effect on the morale and welfare of our most precious asset – our Marines.

[Questions for the Record submitted by Congressman Bishop for General Amos follows:]

Question 7: General Amos, the April 2012 announcement de-linked the move of Marines with the completion of the Futenma Replacement Facility (FRF) which will now lead to an investment in the current Air Station over the next decade since the FRF is at least 10-15 years from being completed. The move has already been delayed due to political issues in Okinawa and funding budget constraints, could sequestration end this endeavor?

Answer: The United States and Japanese governments are still committed to the Guam relocation. The President has made clear that the rebalance to the Asia-Pacific, including re-stationing within and off Okinawa is a whole-of-government effort that supports our enduring U.S. interests in the Asia-Pacific region. As the westernmost U.S. territory in the Pacific, Guam offers a strategic location to address emerging challenges in the region: piracy, terrorism, and humanitarian assistance and disaster relief operations. Our commitment to the rebalance to the Pacific remains a national imperative and as such we will not waver. Our movement to Guam provides the nation a long-term enduring presence in the Pacific. This allows the United States to quickly respond to military and humanitarian crisis as well as sustain vital partnerships through Theater Security Cooperation activities.

[Questions for the Record submitted by Congressman Bishop for General Amos follows:]

Question 8: General Amos, are the U.S. and Japanese governments still committed to Guam relocation?

Answer: Yes, the United States and Japanese governments are still committed to the Guam relocation. The U.S.-Japan Alliance is stronger than ever and is the cornerstone of regional security and prosperity in the Pacific. The alliance is flexible enough to adapt to new U.S. initiatives and changing circumstances while maintaining deterrence. The U.S.-Japan joint statement of April 2012 was a comprehensive set of realignment initiatives to meet the strategic needs for both allies. This agreement helps develop Guam as a strategic hub in the region with an operational Marine Corps presence.

The United States and Japan are continually looking for more efficient and effective ways to achieve the goals of the 2006 Realignment Roadmap agreement. The governments of Japan and the United States will consider cooperative development of training areas in Guam and the Commonwealth of the Northern Mariana Islands, to be used as shared use facilities by U.S. forces and the Japan Self Defense Forces. Consistent with the 2009 Guam International Agreement, the Government of Japan (GOJ) will contribute \$2.8 billion in FY08 dollars (approximately \$3.1 billion in FY12 dollars adjusted for inflation) toward facilities for our relocation of Marines to Guam.

Both countries remain committed to maintaining and enhancing a robust security alliance, and the United States remains committed to enhancing the U.S.-Japan Alliance and strengthening operational capabilities. DOD continues discussions with GOJ to build consensus on a specific list and sequencing of construction projects that would meet the objectives and the timing of GOJ contributions in support of the Guam Buildup. Guam, as the westernmost U.S. territory in the Pacific, offers tremendous potential to posture ourselves for the future, engage with our regional partners, and train to maintain core competencies.

[Questions for the Record submitted by Congressman Bishop for General Amos follows:]

Question 9: General Amos, as you know, the Obama administration outlined a ten year defense strategy called "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense," which specifically identified "the Asia-Pacific" as potential war theaters in the future, how important is the relocation to this strategy?

Answer: The Marine Corps is adjusting its force laydown in the Asia-Pacific region to support the President's Strategic Guidance for the Department of Defense issued in January 2012. Despite drawing down the size of the Marine Corps through the end of FY 2016, the 3rd Marine Expeditionary Force (III MEF), currently headquartered in Okinawa, Japan, will increase capability as we seek to balance capabilities strategically located between Hawaii, Guam, Japan, and Australia. This will allow Marines to train, exercise, and operate with allies and partners and to be able to respond to crises and promote security cooperation across the region.

No forces are more suitable to addressing emerging strategic needs in the Pacific than naval amphibious forces. Forward-deployed naval forces, especially Marine Air Ground Task Forces, provide an insurance policy for unforeseen events and a ready crisis response capability for the combatant commander. Additionally, naval amphibious forces can station off the coast and leave a temporary and light footprint when partnering or conducting humanitarian operations, or these forces can serve as an enabler for a larger joint force effort. Full reconstitution of the Marine Unit Deployment Program in the Pacific has reestablished a key component of the nation's stabilizing presence in the Asia-Pacific region. The establishment of a rotational presence of Marines in Darwin, Australia has already had a positive impact on the confidence of our allies and our ability to respond to crises in the South and Southeast Asian littoral.

[Questions for the Record submitted by Congressman Bishop for Admiral Greenert follows:]

Question 10: Admiral Greenert, the Pacific is extremely diverse and complex environment the U.S. must rely on a patchwork quilt of security relationships to ensure relative peace as the U.S. rebalances toward the Pacific. What facilities investments will need to be made for the Navy as we start this transition?

Answer: Our Navy is at its best, and best supports our national interests, when it operates forward. Overseas MILCON provides facilities for our forces to rest, repair, refuel and resupply. One ship, aircraft or unit based in or operating from a forward location provides the same presence as four rotationally deploying from the United States. Our FY13 budget submission included 14 overseas MILCON projects including weapons bunkers in Rota, Spain; housing for Sailors and their Families in Japan; logistics support facilities in Souda Bay, Greece; and a dining facility in Bahrain. Navy's future budget requests will define the additional investments required to support our ability to operate forward and support the DoD's shift to the Asia Pacific.

[Questions for the Record submitted by Congressman Bishop for General Odierno follows:]

Question 11: General Odierno, sometimes people forget the role of the Army in the Pacific even though we have Soldiers in Korea and Japan. Can you share with us the facilities requirements that will be needed for soldiers as we implement the Asia Pacific strategy?

Answer: The Army has not programmed additional facilities to support the Asia Pacific strategy. In Korea, the Army is consolidating under the on-going Yongsan Relocation Plan (YRP) and the Land Partnership Plans (LPP). All US MILCON requirements associated with the YRP and LPP have been previously appropriated. The remaining 92% of costs associated with the YRP and LPP will be funded by the Republic of Korea. The YRP required the US to provide all family housing above 330 homes. The United States Forces Korea Commander total requirement is for 1300 homes of which 352 have been constructed. After the 330 homes are constructed there remains a shortfall of 600 homes. To meet this shortfall, the Army is pursuing a public-private venture called Humphreys Housing Opportunity Program (HHOP). This will allow an additional 600 homes to be constructed and rented to Service Members using a special overseas housing allowance rate as the rental source.

[Questions for the Record submitted by Congressman Bishop for General Welsh III follows:]

Question 12: General Welsh, last year there was a concern regarding the Air Forces military construction and family housing budget for fiscal year 2013 which totaled \$970 million, many members were concerned that the Air Force cut too fast from FY 2012 to FY 2013. How will the Air Force deal with sequestration on top of the reductions already taken and what type of projects will be delayed or canceled?

Answer: The Air Force's fiscal year 2013 budget request reflected a deliberate pause in military construction to ensure resource availability in other areas necessary to fulfill our role in support of the Defense Strategic Guidance. Thus, the MILCON projects authorized by the FY 2013 National Defense Authorization Act represent only the most critical of infrastructure improvements. The Air Force will attempt to mitigate the impacts of sequestration by reprogramming prior year unobligated balances. As sequestration is being applied at the project level, reprogramming will impact all fiscal year 2013 projects. Reprogramming actions have historically taken between 3-6 months, which will result in delayed award. If project bids exceed the funds available for reprogramming, some projects may need to be deferred or canceled to ensure all construction delivers complete and usable facilities.

The Air Force anticipates multiple reprogramming actions will require Congressional approval and looks forward to your support of those reprogramming requests.

[Questions for the Record submitted by Congressman Farr for General Odierno follows:]

On March 1, 2013 sequester went into effect, totaling \$1.2 trillion over 10 years, in across-the-board cuts on defense and domestic discretionary spending to government agencies. Additionally, only 22 days from now on 27 March, the CR expires.

Question 1: How will sequester by itself effect your service sending personnel to DLI and NPS?

Answer: The fiscal reductions caused by sequestration will force the Army to carefully manage spending in support of professional and civilian education conducted at NPS in a TDY status because of the cuts to the services' operation and maintenance accounts. Sequestration will not impact the military's plans to recruit, assess, and send soldiers to DLI as a part of Initial Military Training. These funds are military pay and are exempt from sequestration.

DLIFLC's core function of providing basic foreign language acquisition training will not be significantly impacted by budgetary reductions due to sequester as currently planned, as long as the waiver to hire Title 10 faculty remains in place. Projected budget reductions, though bearable in the short term, will cause increasing risk over time and by FY14 will severely impact DLIFLC's non-resident program, support to General Purpose Forces (GPF) and Afghanistan-Pakistan (AFPAK) Hands programs, basic course curriculum development, technology integration projects, testing projects, and information technology (IT) support. The potential for civilian furlough could potentially degrade classroom instruction and place a hardship on our faculty that have very marketable skills in the private sector. However, we do not plan to cancel resident basic classes at this time.

[Questions for the Record submitted by Congressman Farr for General Welsh III follows:]

On March 1, 2013 sequester went into effect, totaling \$1.2 trillion over 10 years, in across-the-board cuts on defense and domestic discretionary spending to government agencies. Additionally, only 22 days from now on 27 March, the CR expires.

Question 2: How will sequester by itself effect your service sending personnel to DLI and NPS?

Answer: At this time, no force structure decisions have reduced the number of new accessions into Foreign Language training due to sequestration. Air Force students will attend Defense Language Institute-Foreign Language Center at the FY13 programmed rate. Additionally, the Air Force considers long-term Professional Military Education as mission critical and plans to continue it under sequestration. We do not anticipate any impacts to sending personnel to Naval Postgraduate School at this time.

[Questions for the Record submitted by Congressman Farr for Admiral Greenert follows:]

On March 1, 2013 sequester went into effect, totaling \$1.2 trillion over 10 years, in across-the-board cuts on defense and domestic discretionary spending to government agencies. Additionally, only 22 days from now on 27 March, the CR expires.

Question 3: How will sequester by itself effect your service sending personnel to DLI and NPS?

Answer: Currently Navy expects no change to its plans for sending personnel to DLI and NPS.

[Questions for the Record submitted by Congressman Farr for General Amos follows:]

On March 1, 2013 sequester went into effect, totaling \$1.2 trillion over 10 years, in across-the-board cuts on defense and domestic discretionary spending to government agencies. Additionally, only 22 days from now on 27 March, the CR expires.

Question 4: How will sequester by itself effect your service sending personnel to DLI and NPS?

Answer: The Marine Corps does not pay tuition at either Defense Language Institute (DLI) or Naval Postgraduate School (NPS) as they are centrally funded through the DOD and the Navy, respectively. As such, the primary cost driver for the Marine Corps' participation at these schools is permanent change of station (PCS), which is funded in the Military Personnel appropriation and is exempt from sequestration in FY13. However, in FY14 and beyond, the Marine Corps is still assessing the impacts of lower discretionary budget caps on programs such as DLI and NPS.

[Questions for the Record submitted by Congressman Farr for General Odierno follows:]

Question 5: The House approved the FY13 CR on March 6, 2013 that includes a \$10.4 billion increase over the current CR to O&M. What impact do you believe this will have on your services' ability to send servicemembers to Professional Military Education programs like NPS and DLI for the rest of the fiscal year?

Answer: The impact of the Army's ability to send service members to Professional Military Education programs like NPS and DLI for the rest of the fiscal year based on the House approved FY13 CR cannot be determined at this time. The cumulative effects of the FY13 CR at FY12 enacted levels, the sequestration, and the OCO shortfall requires Army to re-prioritize and balance its resources as funding is made available in the appropriation. All students currently enrolled would be allowed to continue with their studies. Other Professional Military Education (PME) programs will be affected as civilian instructors and training support personnel are impacted by a potential civilian furlough. In response, the Army will reduce throughput in all PME courses, but will prioritize available resources towards those PME and civilian education requirements that support positions of command or eligibility for promotion.

[Questions for the Record submitted by Congressman Farr for General Welsh III follows:]

Question 6: The House approved the FY13 CR on March 6, 2013 that includes a \$10.4 billion increase over the current CR to O&M. What impact do you believe this will have on your services' ability to send service members to Professional Military Education programs like NPS and DLI for the rest of the fiscal year?

Answer: Air Force requirements for the Defense Language Institute—Foreign Language Center (DLIFLC) are funded via the Military Personnel appropriation account. Thus, the increase in Operation and Maintenance funding will have a minimal direct impact on the Air Force's ability to send members to DLIFLC for the remainder of Fiscal Year 2013. Further, since the Fiscal Year 2013 assessments for Professional Military Education programs like Naval Postgraduate School were previously allocated, the increase in O&M funding will not impact programming.

[Questions for the Record submitted by Congressman Farr for Admiral Greenert follows:]

Question 7: The House approved the FY13 CR on March 6, 2013 that includes a \$10.4 billion increase over the current CR to O&M. What impact do you believe this will have on your services' ability to send service members to Professional Military Education programs like NPS and DLI for the rest of the fiscal year?

Answer: Currently, Navy expects little impact to its ability to send students to DLI and NPS for the current 2012/2013 academic year. Navy is evaluating possible impacts to academic year 2013/2014 student assignments and throughput as we continue to prioritize funding options for the remainder of fiscal year 2013.

[Questions for the Record submitted by Congressman Farr for General Amos follows:]

Question 8: The House approved the FY13 CR on March 6, 2013 that includes a \$10.4 billion increase over the current CR to O&M. What impact do you believe this will have on your services' ability to send service members to Professional Military Education programs like NPS and DLI for the rest of the fiscal year?

Answer: Should the FY13 CR (HR 933) become law, Marines will still be able to attend Naval Postgraduate School (NPS) and Defense Language Institute (DLI) as planned through the remainder of the year. However, in FY14 and beyond, the Marine Corps is assessing the impacts of lower discretionary budget caps on programs such as DLI and NPS.

[Questions for the Record submitted by Congressman Farr for General Odierno follows:]

Question 9: What are the potential effects from furloughs and layoffs of civilian personnel on uniformed personnel in your services?

Answer: Furloughs and layoffs of civilian personnel are going to severely affect our uniformed personnel and impair the Army's mission capabilities, many of our key support functions such as financial management and budget preparation, troop training, equipment and supply lines, research and development efforts, and our overall readiness. Our uniformed personnel will see the furloughs and layoffs coupled with reductions in funding result in the cancellation of third and fourth quarter depot maintenance, a significant delay in equipment readiness for six divisions, and an estimated \$3.36 billion impact to the communities surrounding our depots.

Soldiers and their family members may experience degraded access to medical care. The Army provides 48 percent of all DOD, civilian, and military medical services, and our civilian employees represent as much as 60 percent of the Army's workforce at our medical treatment facilities, three times that of our sister services.

We expect civilian furloughs and layoffs on our installations along with a 70 percent reduction in base sustainment funding and the elimination of contracts to severely strain our ability to protect our Army family programs our uniformed personnel rely on to successfully complete the Army's missions.

[Questions for the Record submitted by Congressman Farr for General Welsh III follows:]

Question 10: What are the potential effects from furloughs and layoffs of civilian personnel on uniformed personnel in your services?

Answer: While the Air Force appreciates the President's exemption of Military Personnel Accounts safeguarding the resources necessary to compensate the men and women of the Air Force, no such provision has been provided to department civilian employees who now face furlough. There are several anticipated impacts to service members should the furlough occur.

Furloughs may impact critical support programs such as Airman and Family Readiness Centers, which provide a wide variety of programs and referral services for our total force members and our spouses. Airman and Family Readiness Center programs include counseling, post-deployment training, family financial planning, and many facets of transition planning. We are concerned sequestration's effects from civilian furloughs and reduced budgeting could affect our mandatory Transition Assistance Program (TAP) classes and degrade other activities supporting service members and their families.

Additionally, the furlough of child care support staff will impact approximately 25 percent of our caregiving staff, as well as our entire management and administrative team, who are charged with ensuring health and safety standards are maintained. Because child care standards must be maintained even with reduced staffing, installations may be forced to reduce hours of operation or reduce class sizes, which may require military single parents or dual working families to adjust their work hours or find alternative care at a higher cost. Further, military spouses comprise an estimated 25 percent of our Child/Youth Program workforce, which will create a direct financial hardship to some of our military families by reducing income.

Both the Air National Guard and the Air Force Reserve rely heavily on full-time dual status military technicians to complete their missions as full-time civilian employees during the week and also to serve as traditional members of the reserve component. They are not protected by the exemption of Military Personnel Accounts and are now subject to furlough. On a day-to-day basis, dual status military technicians support activities essential to the readiness and functioning of the largely part-time citizen Airmen of the Air Force Reserve and Air National Guard. Their unique service provides the level of support and continuity necessary for the Reserve Component to support maintenance of equipment and facilities, mobilizations, deployments, and domestic operations, and maintain continuity of services for service members remaining during mobilizations and deployments. Furloughs of these essential personnel will degrade the readiness levels of the Air Reserve Component, and uniquely impact the income of dual status military technicians.

[Questions for the Record submitted by Congressman Farr for Admiral Greenert follows:]

Question 11: What are the potential effects from furloughs and layoffs of civilian personnel on uniformed personnel in your services?

Answer: Navy Civilians are essential to what we do as a Navy. They repair and maintain our ships, aircraft and combat systems; plan and manage our budgets; and design and engineer our future force. Today the 186,000 Navy Civilians serve in every state and 20 countries overseas. Therefore, losing this talent pool (even temporarily) will impact every command and certainly will be felt by uniformed personnel who work alongside their Civilian counterparts. Civilian furloughs and temporary hiring freeze at shipyards and depots may cause canceled maintenance or lengthen maintenance availabilities, thus impacting deployment schedules and a unit's operational readiness. Other potential effects may be an increased chance of mismanagement as less experienced workers have to fill in for gapped Civilians. Therefore, avoiding Civilian furloughs is an important priority; and the Navy is working closely with the Department of Defense to analyze our options in order to find enough savings in other areas to lessen the impact to our Civilian workforce.

[Questions for the Record submitted by Congressman Farr for General Amos follows:]

Question 12: What are the potential effects from furloughs and layoffs of civilian personnel on uniformed personnel in your services?

Answer: Furloughs of the civilian Marine workforce are detrimental not only to the affected employees and their families, but also to uniformed Marines and the mission and readiness of the Marine Corps. The Marine Corps assesses the impact of a 22 work day furlough in the latter half of this fiscal year will result in an approximate 20 percent pay reduction for affected employees during this period. Sixty-eight percent of our civilian Marines are veterans that have chosen to continue to serve our Nation, and of those, a full 16 percent have a certified disability. While we would like to believe that a discontinuous furlough will reduce the impact on our employees, most will not be able to absorb this sudden loss of income. As a result, employee stress will increase, morale will decline, productivity will suffer, and the burden on military personnel will increase—all of which translates to reduced readiness. Active-duty Marines have already seen the impact of the prospect of furloughs on former Marines and wounded warriors, and this unquestionably has a negative effect on their view of the Marine Corps.

Civilian furloughs also impact the Marine Corps bases and stations with a commensurate reduction in services to our personnel, as these civilians provide critical functions that supports our Marines and Sailors, as well as the Marine Corps mission. With a ratio of 1 civilian to every 10 Marines, the Marine Corps already maintains the leanest civilian workforce — each of these civilians are an integral part of our total workforce. 95% of this workforce support our depots, bases, and stations and fulfill a multitude of roles that serve our active duty personnel and their families. Missions such as depot maintenance and training range operations directly support the warfighter and the Marine Corps' mission to provide the best trained and equipped Marines to Operation Enduring Freedom. Additionally, furloughs impact vital "keep faith" programs such as Wounded Warrior care, Family Readiness, and Transition Assistance. These programs allow Marines to focus on their mission because they know that the Marine Corps will keep faith with them at home.

The potential impacts resulting from civilian Marine furloughs are significant and will directly reduce readiness and uniformed Marine morale and mission focus.

[Questions for the Record submitted by Congressman Farr for General Odierno follows:]

I understand that you are restructuring the Army to better fit into the strategy that the Department of Defense is implementing as it rebalances to the Pacific. I applaud your efforts to seek efficiencies and at the same position the Army to be an integral part of the new strategy.

You recently stated in your Strategic Intent, "To be effective once deployed, they [soldiers] must be familiar with local cultures, personalities, and conditions where they are operating. We cannot afford to gain this knowledge under fire. Through the regional alignment of forces, we will meet both these imperatives, ensuring that our Army remains globally responsive and regionally engaged."

Question 13: How will you achieve your strategic guidance amidst budget cuts and competing interests for modernization and tactical or more lethal training?

Answer: The cuts imposed under sequestration and our shortfall in our overseas contingency operations place our ability to achieve the current national strategic guidance at risk. We will conduct a defense wide strategic review led by OSD over the next 60 days to determine the specific impacts on the 2012 Strategic Guidance.

[Questions for the Record submitted by Congressman Farr for General Odierno follows:]

I am confident that your soldiers and leaders will have the tactical and technical expertise to build partner capacity.

Question 14: What types of formalized language and culture training will you implement to ensure that soldiers and leaders in regionally aligned brigades are capable of building partner capacity in the practical sense of being able to communicate with their partners?

Answer: Army planning for Language, Regional Expertise and Culture training in support of Regionally Aligned Forces is ongoing. The Army has identified the Defense Language Institute Foreign Language Center's curriculum as the currently preferred means to deliver language familiarization and culture training to Regionally Aligned Forces. Training platforms under current consideration include both distributed learning and live instructor training at language training detachments. The Army Service Component Commands have identified the Defense Language Institute's Rapport distributed learning program as a baseline for pre-deployment language familiarization and culture training. Rapport's six to eight hours of training consists of military language modules and cultural awareness lessons that cover history, religion, geography and basic social exchanges in the target language. Soldiers taking the training must achieve a 70 percent or better to pass. Completion is automatically reported to Army records. Rapport is currently available in six languages: Arabic, European (African) Portuguese, French, Iraqi, Pashto and Swahili. Rapport modules are developed from the Defense Language Institute Foreign Language Center's more extensive 80 to 100 hour distributed learning program, HeadStart2. HeadStart2 modules are available online in 22 strategic languages.

Fiscal reductions will severely impact our ability to advance the technical development of Rapport and HeadStart2 to meet emerging requirements. Once impacted, restoring this effect will be difficult. Additionally, fiscal constraints will impact both current and emerging requirements for live instructor training at the language training detachments.

[Questions for the Record submitted by Congressman Farr for General Odierno follows:]

The Army sends many officers to NPS for education and training in defense analysis and research programs.

Question 15: How will you sustain the current level of commitment to that education which provides a tremendous broadening opportunity to future senior leaders?

Answer: The Army will continue to intellectually invest in the development of our leaders as we balance risk to readiness of the force. The Army will prioritize available resources towards those Professional Military Education (PME) and Civilian Education System programs required to assume command or for promotion. PME reductions, specifically the civilian instructors and training support personnel impacted by the civilian furlough, will reduce the throughput in all PME courses, thereby reducing leader development and future readiness.

The fiscal reductions caused by sequestration may impact also the Army's ability to provide broadening opportunities for future senior leaders through Advanced Civil Schooling (ACS) Programs, like Senior Service College Fellowships, Joint Chiefs of Staff Intern Program, and Army Congressional Fellowship. The majority of the military broadening opportunities are primarily linked to education at a civilian institution so there are limited furlough impacts. Although, the Army considers these programs to be very important, they may be at risk depending on the level of cuts to funding in other critical areas.

Army's Definition of Broadening: "The purposeful expansion of a leader's capabilities and understanding provided through opportunities internal and external to the Army throughout his or her career, that are gained through experiences and/or education in different organizational cultures and environments resulting in a leader who can operate up to and including the strategic level in multiple environments."

[Questions for the Record submitted by Congressman Farr for Admiral Greenert follows:]

In a recent blog entry, Adm. Stavridis, wrote about a language and cultural capability gap in the Department of Defense, an organization that operates globally to accomplish its mission yet has less than 10% whom speak a second language.

Question 16: What value do you think language and cultural training play for the Navy's role in meeting the Defense Strategic Guidance?

Answer: Navy's ability to meet the challenges outlined in the Defense Strategic Guidance is enhanced significantly by Language, Regional Expertise, and Cultural (LREC) capabilities, and we are committed to making the investments needed to provide the right balance of LREC skills to our operational forces. Our success depends in part on our ability to communicate with, and comprehend, potential adversaries, enduring allies, and emerging partner nations. One key to fostering such relationships is the development of sufficient cultural, historical, and linguistic expertise among our Sailors to nurture effective interaction with diverse international partners. Examples of how we develop relevant regional skills within the force include our continued support to the Afghanistan-Pakistan (AFPAK) Hands program, and our recently developed Asia-Pacific Hands Pilot, which leverages existing resources at the Naval Postgraduate School. Our inventory of Foreign Area Officers also continues to increase as we remain committed to maturing this newly established community to full operational capacity.

[Questions for the Record submitted by Congressman Farr for Admiral Greenert follows:]

Question 17: How will you ensure that the Navy's Professional Military Education continues the programs at the Naval Postgraduate School that deliver these skills while a majority of your focus is on ship building and the joint strike fighter?

Answer: Navy believes that education, to include Navy and Joint Professional Military Education, is a strategic investment that enhances our current and future force. Navy will continue to provide the requisite support to programs at the Naval Postgraduate School along with its other educational institutions, as part of a balanced implementation of sequestration reductions.

[Questions for the Record submitted by Congressman Farr for Admiral Greenert follows:]

Question 18: What will you do to ensure that Sailors receive the language training that is clearly defined as a capability gap?

Answer: Navy, in coordination with other Department of Defense (DoD) and Intelligence Community organizations, continues to resource development and delivery of products and services that provide valuable operational support to Navy and Joint forces. Funded efforts align to the Defense Strategic Guidance and the Maritime Strategy, and these efforts foster development of partnerships and capabilities essential to our forward leaning operational posture. Navy resources acquisition language training for 33 languages and dialects and funds sustainment and enhancement training for career linguists such as our enlisted cryptologic language analysts and Foreign Area Officers.

Additionally, we financially incentivize language proficiencies not only in our career linguist communities, but in all operational forces, particularly our special operations and expeditionary units. Navy has implemented a robust approach to sustain language, regional expertise, and culture (LREC) capabilities by leveraging existing assets to enhance training and education. We continue to monitor the requirements for these critical LREC skills and coordinate with DoD components to optimize training products and services. Navy already provides access to a significant inventory of training on demand through our Center for LREC's Navy Knowledge Online portal.